

**The Government of the Country concerns  
every Citizen.**

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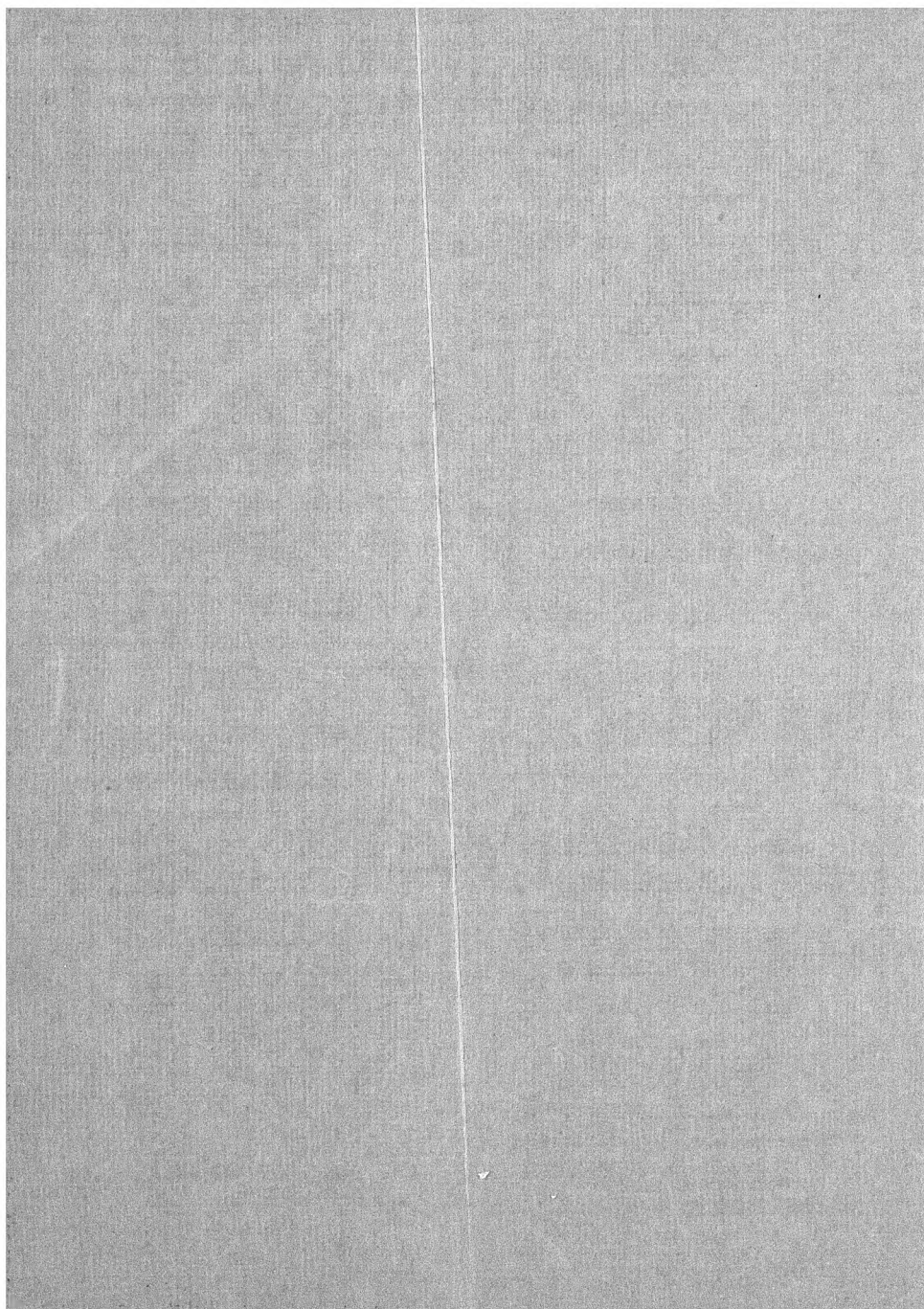
# **Alberta Under Liberal Rule**

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**A Brief Review of Provincial Affairs,  
particularly with reference to the  
administration of the Sifton Govern-  
ment.**

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Rulers, and Public Opinion is Mightier than  
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# THE CONSERVATIVE OPPOSITION

GIVEN IN THE ORDER OF THEIR  
SEATS IN THE HOUSE.



S. Bacon Hillocks .....	North Calgary
Dr. G. D. Stanley .....	High River
John H. W. S. Kemmis .....	Pincher Creek
A. F. Ewing .....	Edmonton
Edward Michener (Leader) .....	Red Deer
T. M. Tweedie .....	Centre Calgary
George Hoadley .....	Okotoks
Lt.-Col. J. S. Stewart .....	Lethbridge
Robert Patterson .....	Macleod
Howard H. Crawford .....	South Edmonton
Lt.-Col. Nelson Spencer .....	Medicine Hat
Capt. Robert E. Campbell .....	Rocky Mountain
Dr. Thos. H. Blow .....	South Calgary
Major James R. Lowery .....	Alexandra
Lieut. G. E. LeRoy Hudson .....	Wainwright
Frederick Archer .....	Innisfail
Conrad Weidenhammer .....	Stony Plain
Alpheus Patterson .....	Peace River

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NATURAL RESOURCES.

AGRICULTURAL CREDITS.

ECONOMY IN PUBLIC AFFAIRS

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NATURAL RESOURCES.

AGRICULTURAL CREDITS.

ECONOMY IN PUBLIC AFFAIRS

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**The POLITICAL DOCTRINE of the  
CONSERVATIVE PARTY is, that the  
HIGHEST FUTURE of the PROVINCE OF  
ALBERTA lies in the HOME ADMINIS-  
TRATION of our NATURAL RESOURCES,  
the establishment of AGRICULTURAL  
CREDITS, and the practice of a rigid  
ECONOMY IN PUBLIC AFFAIRS.**

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# ALBERTA UNDER LIBERAL RULE

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## 1. Our Natural Resources

When Alberta and Saskatchewan were formed in 1905, the Liberals were at the height of their power at Ottawa. There was a decline in statesmanship, and consequently a need for more money to maintain this power. They determined that the Natural Resources of the new Provinces would be retained, and in this they were supported and assisted by the Liberals of Alberta.

This was a political deal for the purpose of power, and the Liberal leaders who worked out the scheme received political rewards. Mr. Scott was made Premier of Saskatchewan; Mr. Oliver became Minister of Interior; Mr. Bulyea was installed as Lieutenant-Governor of Alberta, and others of less importance were rewarded according to their influence. These Liberals were true to their party, and false to the best interests of the people.

### The Bargain

Whatever may be said in behalf of the reasons advanced at the time, the bargain was considered by the Conservatives as a bad one. Time has justified their judgment, for the agreement has had disastrous results.

This agreement meant that the Liberals sold our rights in lands, timber, minerals, fisheries, as well as water rights, to the Laurier Government for the sum of \$370,000 per year, this amount to be subject to increase, as population increased, until a fixed sum was reached. The limit was placed at \$750,000 for a population of 1,200,000. At the present time the sum payable is \$562,500. Not very much when we consider the income received by the Federal Government from our resources.

It was easier to sell our birthright than it is to redeem it, for this foolish bargain has become part of the constitution of the country; and the constitution is not easily changed, for it is an agreement to which all the other Provinces are essential parties.

### The Loss to Alberta

The disastrous result of this foolish bargain may be seen from the following statement:

#### STATEMENT OF DOMINION LANDS REVENUE COLLECTED IN THE PROVINCE OF ALBERTA FROM THE 1ST JULY, 1904, TO MARCH 31ST, 1916

Fiscal Year.	Amount.
1904-1905 -----	\$ 218,133.93
1905-1906 -----	447,301.02
1906-1907 -----	527,591.47
1907-1908 -----	754,203.15
1908-1909 -----	932,706.08
1909-1910 -----	1,132,116.08
1910-1911 -----	1,514,518.10
1911-1912 -----	1,903,672.02
1912-1913 -----	1,652,492.55
1913-1914 -----	1,399,011.39
1914-1915 -----	1,809,166.17
1915-1916 -----	914,749.71
	<hr/>
	\$13,205,661.67
	<hr/>

The amount received by the Province of Alberta from the Dominion Government in lieu of our Natural Resources from the period of 1904 up to and including three months of 1916, according to "The Alberta Act," should be as follows:

1904 to 1905 (6 months) -----	\$ 187,500
1905-1914, at \$375,000 per year -----	3,375,000
1915-1916 -----	562,500
1916 (3 months) -----	140,625
	<hr/>
	\$4,265,625
	<hr/>

The above figures are favorable to the Dominion Government as against the Province, so as to cover the cost of administration, which is approximately 20 per cent; and as it is, the difference between the sums given represents the net loss to the Province. This difference, or net loss is \$8,940,036.67.

This represents the loss up to March 31st, 1916. For years to come the Dominion Government will continue to receive an enormous revenue from our Natural Resources. The ratio of increase in revenue is much greater than that of increase in subsidy, so that the annual loss to the Province must continue to grow. **A more iniquitous deal could not have been made by any political party no matter how corrupt.**

### The Opposition

When this iniquitous political deal was put through, the Conservative Party in this Province, as well as Mr. Borden and his followers, fought against it with all their powers. They were ridiculed and laughed at as not being up-to-date and alive to right methods of finance; but their judgment was good, as is now confessed even by the Liberals. They contended that the new Provinces were entitled to the



same constitutional status as the other Provinces. This has ever been the contention of the Conservatives, and they have ever and consistently denounced the foolishness and injustice of the Liberal political bargain.

### **Negotiations**

Not a word was heard from the Liberals against this matter until just previous to the Federal General Election of 1911, and even then it was not a protest voicing the sentiment of the Liberal electors of the Province, but a representation on the part of Mr. Sifton, who had been called to the office of Premier, and who realized the need of increasing sources of revenue.

On the 20th of March, 1911, Mr. Sifton wrote to Sir Wilfrid Laurier making a claim on behalf of the Province. On October the 6th, 1911, Sir Wilfrid Laurier sent his reply to the Hon. Mr. Sifton; and it will be necessary to quote only the last lines of this reply to show how little may be expected from the Liberals in this matter. The closing words of Sir Wilfrid's reply presented the Liberal attitude; and they are as follows:

"the request of the Legislature of Alberta might constitute  
"a fair subject of discussion, without, however, at this early  
"juncture, committing ourselves to the acceptance of the  
"principle involved."

### **The Sudden Change**

November, 1911, the Federal Government changed from Liberal to Conservative, and the First Session of the new Government opened on the 15th inst. On the 8th inst. Mr. Sifton sent a copy of his letter to Mr. Borden, and the Liberals throughout the Province began to send up a howl for the Natural Resources.

On November 30th, 1912, notice of these pending negotiations with the Federal Government was given in the Alberta Legislature; and later in the Session the Sifton Government presented a resolution calling for the Natural Resources. Why years of delay in claiming a constitutional equality for this new Province? Why were negotiations delayed until the eve of the Federal election of 1911, and why did the Liberals become so insistent and vociferous in the matter only after the Borden Government came into power? The sudden change does not advertise sincerity, but rather an act of political hypocrisy that has not been surpassed in any other Province.

### **Political Trickery**

The resolution of the Sifton Government calling for the Natural Resources proved to be nothing more than a piece of political trickery; and for this reason it served no purpose. It was thought no doubt that such a resolution would cause confusion among the Conservatives. It was thought that they would be compelled to vote against their convictions in order to vote against the Sifton Government. Such was not the case, for the Opposition were ready to "go to the people" on the strength of their convictions; and therefore they moved an amendment, which would serve to strengthen any demand to be made by having the people of the Province back of it, that "an election be held at the earliest possible date to ascertain the will of the people."

This amendment was voted down, for the Sifton Government did not dare to face the people on this issue. The original motion was then put to the House, and every Conservative Member of the Legislature stood in his place and voted for the demand for our Natural Resources.

### **The Mandate of the People**

The vote on this resolution was unanimous, and it was therefore the mandate of the people, and should have been obeyed. Nothing was heard of the matter until a year later. On February 18th, 1913, Mr. Rutherford asked the Government if the resolution of February 15th, 1912, had been forwarded to the "Governor-General of Canada, Rt. Hon. Mr. Borden, or any member of his cabinet." Mr. Sifton's reply was a simple "No," a negative without any explanation.

If he was sincere in the demand for the Natural Resources why did he withhold this resolution? By this action the Premier of the Province disobeyed the mandate of its highest authority, and he should have been subject to a vote of censure.

The resolution was introduced and passed to deceive and trap the Opposition; and it was then withheld because it had failed in its purpose. We have heard nothing about it since then.

### **The Conservative Stand**

The Conservative Party has always stood for the return of our Natural Resources, for it has always maintained that, according to the fundamental principle of Confederation, the various Provinces of Canada should have a basis of equality in all respects.

Mr. Borden pledged himself and his Government to the principle of restitution on fair terms. The Conservative Opposition of this Province will steadfastly expect Mr. Borden and his Government to fulfill this pledge in due time. But it must not be forgotten that the mandate of the people of this Province must be back of any request or claim made by Mr. Michener and his followers; and when this happens, the matter will not be pigeon-holed, as it was by the Sifton Government in 1912.

## **2. Railway Policy**

The policy of granting subsidies to railroad corporations, by guaranteeing their bonds, was adopted in the face of the fact that, when the Liberals sold out our Natural Resources in 1905, one of their chief arguments was, "We do not need control of our Resources; the Dominion Government will provide our railways; one hundred million acres of our lands have been reserved for this purpose."

This guarantee policy was anticipated by the slogan, "Rutherford, Reliability, and Railroads," and the Liberals shouted this with great confidence. The result under Sifton administration is, that we are left with the "Railroads," uncompleted, an incorporated octopus that is always reaching out greedy tentacles for more food in the way of new guarantees or an increase of existing guarantees.

### **The A. & G.W. Muddle**

In 1905 the Athabasca Railway Company was incorporated, and the promoter of the Company asked the Government for a guarantee for 250 miles at \$12,000 per mile, the Bonds to bear 4 per cent. interest. The Government refused. They declared that they would not guarantee promotion companies, but would confine their guarantees to the branches of transcontinental lines.

### **A Betrayal of Confidence**

This stand of the Government against railway promotion schemes was very much appreciated. The Government's declared intention to confine guarantees to branch lines of transcontinental roads, in a sum not to exceed \$13,000 per mile, and Bonds to bear 4 per cent. interest, received the approval of the people. But the confidence thus established was soon betrayed by the Liberal leaders.

In 1908 W. R. Clarke and others acquired the charter of the Athabasca Railway Company, and they then organized a new company, which received incorporation under the name of "Alberta and Great Waterways Railway Company." And although the Government had refused a guarantee of \$12,000 per mile to the promoters of the old company, it at once gave this new company a guarantee of \$20,000 per mile for 350 miles—which was 100 miles more—the Bonds to bear 4 per cent. interest. Evidently it made considerable difference as to who asked for Government favors.

### **A Disgraceful Proceeding**

This proceeding was disgraceful in that it was a betrayal of confidence; and this agreement with the A. & G.W. Company was a disgrace to the Government who forced it through the House in the face of a strong opposition. It was so bad, so utterly lacking in protection of the people's interest, that a number of Liberal Members joined with the Conservatives in opposing the deal.

On this occasion the attitude of certain Liberal Members was very heroic. They were righteously indignant; a thing that has not happened since, and is not likely to happen again. A charge was made against some members of the Government, and a Royal Commission was appointed to investigate. Important witnesses, as well as the Company's books, and the promoter, W. R. Clarke, were missing, and the result was that the finding of the Commission proved of little value.

### **The Sifton Influence**

Following this, 1910, the Liberals having lost confidence in their Government, Premier Rutherford was asked to resign, and Chief Justice A. L. Sifton was called from the Bench to form a Government.

This turn of events was dictated from Ottawa, and there is no doubt but that it was brought about by the Hon. Clifford Sifton with the assistance of the C.N. Ry. Company, otherwise, McKenzie and Mann.

When the Natural Resources deal was put through the Hon. Clifford Sifton was Minister of Interior; and, judging from the report in "Hansard," he had a definite part in the planning of the same, for, speaking to the question, he declared the Autonomy Bill was practically that which he had suggested to Sir Wilfrid Laurier and his colleagues.

**The Sifton influence has been far-reaching, and we have had about enough of it.** Judging from the past and the present, Alberta has been set apart as the political farming ground of the Siftons. Seemingly they are sifting the affairs of this Province, and when they are through with the task there will be little left but the chaff; for the Sifton-McKenzie & Mann and Sifton-McArthur combination is a pretty expensive political luxury for any Province to maintain.

### **The Sifton Confiscation**

Hon. A. L. Sifton took charge of the Alberta Government. The party whip was cracked; and all of those Liberal Members who were so troubled in conscience under the Rutherford administration stepped into line. Confidence was restored by the proposal of the Hon. Mr. Sifton to take by legislation the monies of the A. & G.W. Company and appropriate the same to the revenues of the Province.

The Premier having been a Chief Justice was supposed to be an authority in the law, and his proposal was looked upon by his immediate supporters as the move of a master. Confiscatory legislation was enacted, and the Liberals became happy in the fact. But the Privy Council decided that the legislation was illegal, and that the monies of the A. & G.W. Company could only be used for the purpose for which they had been subscribed by the bondholders.

### **The McArthur Deal**

Hon. A. L. Sifton, ex-Chief Justice, was mistaken; the road had to be built. And in the face of this emergency, there was called in the tail-end of the combination, J. D. McArthur.

During the Second Session of 1913 a letter was submitted to the House on behalf of J. D. McArthur and "his associates," proposing to take over the A. & G.W. Ry., and this proposal was accepted by the Sifton Government. By this act McArthur was given all those advantages and privileges held by W. R. Clarke, and that were the cause of the rupture in the Liberal ranks. On this occasion, however, there was a boss at the helm of state, and there were no heroes on the part of the so-called conscientious Liberal Members.

### **Siftonism First**

Mr. Michener and his supporters in the House fought against this outrageous deal. Amendments were offered calling for tenders for the construction of this road. Definite information was asked as to the personnel of McArthur and "his associates." But all such efforts were laughed at and voted down. The broken ring had been welded. It was a matter of "stand pat," Siftonism first; and the welfare of the Province was made of less importance than the welfare of the Party.

### **A Bona Fide Tender**

The Opposition demanded independent tenders, and the agreements be open to the Public, so that the people might know what was being done in their affairs.

A tender was presented by the Opposition from a reliable firm of Railway Contractors, "Janse Bros., Boomer and Hughes." It was a definite offer to build the road for \$14,866.00 per mile. It was ridiculed as usual, and then voted down. The contract was then given to the "family contractor," J. D. McArthur, in the sum of \$20,000 per mile; and this was done on the strength of an indefinite letter, that did not even disclose the principals to the undertaking.

### **McArthur's Associates**

Who are they? Were they known to Hon. A. L. Sifton, Minister of Railways when McArthur's letter was brought into the House? who prompted and dictated McArthur's indefinite letter? The Minister of Railways has not yet given any information on this subject, except to say that, the associates of J. D. McArthur are the associates of J. D. McArthur. This is something like the statement that, "Pigs is Pigs," and no doubt it is true, but it is not informing.

### **Elimination of Clarke**

Clarke had to be eliminated in order to put through this slippery deal. Clarke was eliminated. Clarke, being a citizen of the United States, took up the matter of the protection of his rights with the American Department of State, and then he dropped out of existence, so far as we are concerned. Somebody must have bought him off. Who put through this deal? How much was paid to this Kansas promoter? These questions can not be answered by Conservatives while the Sifton Government holds power; and perhaps when they have gone out of power it will be impossible to find the answers.

### **The Amount of The Loot**

Whatever Clarke took away with him, or received after he left on account of the A. & G.W.-McArthur deal was simply loot; for he did nothing in Alberta to entitle him to any sum of money, unless it was to school certain individuals in the artistic tricks of high finance.

But what about this loot? According to the American Press it was the cold, hard cash, and it was a considerable sum. The report of an interview given by W. R. Clarke was printed in a Kansas paper, stating that he had received \$1,000,000 to step out. He did not say who gave it to him. The only conclusion to be arrived at is, that the persons who stood to benefit by the outrageous McArthur deal settled with Clarke; and, in the last analysis, it was done at the expense of the people of Alberta.

It is said that "money talks." There is no doubt about it. When properly talked to, Mr. Clarke stepped out. He has not been back since, and he is not likely to come back.

McArthur and "his associates" are building the road on their own terms, and in their own time and way. Mr. Sifton and his supporters have had their way by the driving power of a large majority in the Legislature. The Province has been disgraced; there has been "theft within the law;" and the confidence of the people has been betrayed, but what of that? **The Sifton Government Stands.**

### **The Announcement of 1909**

February 25th, 1909, the Liberal Party officially announced that Calgary was to become the hub of a system of railway branches that would "gridiron" the south of the Province under a policy of railway guarantees. Resolutions were passed guaranteeing four lines into Calgary, in all a total of 1761 miles, and it was declared that the mileage to be completed that year, 1909, was 175 miles.

Seven years have passed, and there is not a mile of guaranteed railway in operation south of the City of Calgary; and it was but recently that two of the guaranteed roads reached Calgary from the north.

### **A Bad Policy**

The abandonment of the south may have been all right; but the abandonment of this vicious policy of progressive railway guarantees would have been better. But according to the methods of the Sifton Government, this policy is to continue to flourish as a quick-action method of piling up the debt-burden of the Province.

This policy is bad, because railway promoters when they have served their purpose can dump the road on the bond-holders, and the bond-holders can then look to the Government to pay their interest charges. This was made evident in the disgraceful muddle of the A. & G.W., and more recently in the case of the Lacombe and Blindman Valley Light Railway. The only protection the people have in this matter is Mr. Sifton and his majority in the Legislature, and so far it has proved a hedge of broken reeds.

### **Progressive Guarantees**

Mr. Sifton and his supporters have not protected the interest of the Province, for they have made the policy of railway guarantees a progressive one.

When this policy was put in force the limit of the amount was to be \$13,000 per mile; the right kind of an appeal was made to the Government, and it was raised to \$15,000; then \$18,000; and then \$20,000; and in one instance, the Brazeau line, which according to the enacted policy was not entitled to receive any guarantee in that it was a completed road, it was raised to the sum of \$25,000 per mile.

Where is this matter to stop, if the Sifton Government continues this practice? And it will be continued so long as it suits their political purposes.

There can be no protection in a policy that permits increases in guarantees, or a system of progressive favors to those railway speculators who happen to have the ear of the Premier or some claim upon the Government. But it remains to be seen whether the practice of the Sifton Government is in accordance with the will of the people.

### **Flat Rate Subsidies**

The secret of the increase is the flat rate subsidy or guarantee. It is an inducement to route the road in the greatest mileage, and where it is easiest to build, rather than where it is most needed. Why a flat rate on the total mileage? Why not a specific rate for each station of the road, based upon an actual inspection by Government engineers? The why is to be found in the method of making payments; for it is a method that plays into the hands of the railway speculators, and any attempted change in it would be bitterly fought by them. By this method the major portion of the proceeds of the Bonds could be exhausted before even half of the line were completed. **The speculator**



is always sure of his money, for the road must be completed. He can come to the Government and demand an increase of guarantee and the Government is compelled to hold up its hands and order an increase.

#### **Total Percentage Payments**

The method of the railway promoter is very subtle, and it gives financial protection to all those concerned in the promoting. But it is not the method that any sane man would permit in his own business.

The Government pays over a percentage of the total guarantee equal to the percentage in cost that the work done may bear to the total cost of the line. For example, take 100 miles of line at an estimated cost of \$2,500,000, with a guarantee of \$20,000 per mile, or in other figures \$2,000,000. The progress estimates show 10 miles of grade, without ties or rails, at a cost of \$50,000 per mile, or \$500,000. This is 25 per cent. of the total guarantee; and consequently, one quarter of the guarantee is paid out for one-tenth of the line, and that for a grade without ties or rails. This example is generous. It does not state the case as seriously as facts would justify, as will be shown later. It is here sufficient to show that there is no element of protection in the Sifton Government's system of total percentage payments.

#### **Progress Estimates**

The instrument by which this subtle scheme of total percentage payments is worked is what is known as the progress estimate. The railway company's engineer brings in an estimate of work done to date; this is certified by the Government engineer who is supposed to have checked up the work and material. He may certify this progress estimate without ever having seen or checked up the work, with the result that the Government pays over the money on the mere statement of the railway speculator's agent. Has this happened? Yes? **The present Government engineer, giving evidence before the Public Accounts Committee, has sworn that he has certified estimates without having seen and checked up the work. And the Government defended this practice and took the responsibility for the same.**

The only protection this Province has under its present system is to be found in the person of a young man, a Government engineer, who is not responsible to the people. And millions are paid out on his judgment of a railway company's progress estimate. This is the sort of responsible administration that the Sifton Government is giving to the people of this Province.

#### **The Result of The System**

Just before his resignation Hon. Mr. Rutherford refused to pay over on account of the Vegreville-Calgary line the sum of \$1,200,000, because there was not sufficient work done to justify so large a payment out of the guaranteed funds.

Shortly after assuming office Hon. Mr. Sifton paid over to McKenzie and Mann for this claim the sum of \$1,596,400. There was no justification for this payment, unless it might have been Mr. Sifton's friendship for McKenzie and Mann; and, as Minister of Railways, Mr. Sifton has been grossly negligent, if not worse.

From this time on reckless and unwarranted payments have been made, not only to the C.N.R. Company, but also on behalf of the lines being constructed by the J. D. McArthur interests. And today we have hundreds of thousands paid out for uncompleted lines, and scattered grades, in different parts of the Province; and the payments have been

far in excess of the monies actually earned by the railway companies. But a progress estimate, certified by a Government engineer who is not responsible to the people makes this thing possible.

Under the Canadian Northern Western Railway Guarantee Act, being Chapter 19, of the Statutes of 1911-12, which expresses the railway policy Premier Sifton gave to the country as a sop just before the election of 1913, we will find some notable examples of how the railway speculator has been favored by the present Government. And no exception can be taken to these examples, since they are taken from a Return brought down in the House.

#### **Onoway—Pine Pass**

This line was guaranteed for 250 miles at \$20,000 per mile. There are 33.8 miles of steel laid, and 40.12 miles of additional grade. The Government paid out on the progress estimates the sum of \$1,118,448. The additional grade is of an indifferent character; but allowing \$3,000 per mile for this, there would remain practically \$1,000,000 to cover the 33 miles of completed road, which would be at the rate of \$33,000 per mile, or the sum of \$13,000 per mile in excess of the amount fixed by the guarantee.

#### **Oliver—St. Paul**

This line was guaranteed for 100 miles at \$13,000, which was later increased to \$18,000 per mile. There is no steel laid. There is 88 miles of grade or "dump." The Government paid out on the progress estimates the sum of \$557,604. On this work the C.N.R. Company received an average of \$6,536.40 per mile for a mere grade, which was considerable over \$2,000 per mile more than their estimated cost. And why pay out guaranteed funds, which are trust monies, on 88 miles of "dump," until steel has been laid on some of it?

#### **Calgary—North East**

This is a line from Calgary, through Red Deer to the Brazeau line, five and one-half miles north of the town of Red Deer. The guarantee was for 100 miles at \$13,000 per mile. All that has been done is five and one-half miles of grade; and for this the Government have paid out to the C.N.R. Company the sum of \$208,336.56. This works out as \$37,879.37 per mile, or practically \$25,000 per mile in excess of the guaranteed fund from which payment was made. In the engineer's progress estimate for this work was an item of \$58,000 for the purchase of a "right of way" through the City of Red Deer. This item, with the others, was certified to and passed by the Government; but it transpires that, when the City of Red Deer billed the Railway Company for taxes, the Company claimed that they did not own this property and should not have to pay; yet the Government paid the Company on their estimate for the purchase of this property. What was done with this money? In Alberta this is certainly a day of marvels in methods of Government administration, and of wonders in the realm of High Finance.

#### **Strathcona—South West**

This line was guaranteed for 100 miles at \$15,000 per mile. The Government report shows about one and one-quarter, or to be exact, 1.29 miles of completed roadbed with steel laid. It also shows 10.03 miles of additional grade. The payments that have been made on progress estimates for this work amount to the sum of \$171,874.20. Allowing \$6,000 per mile for the additional grade, which would be a very

generous sum for this prairie work, there would remain \$111,694.20 to cover about a mile and a quarter of completed road. This is the statement of the Government report or Return. It shows a payment of \$96,694 in excess of the guarantee for the 1.29 miles of completed road.

#### **Blackfalds—Hanna**

This line is 130 miles, and the guarantee is for \$13,000 per mile. The roadbed completed, with steel laid, is 60.6 miles; and there is no additional grade. The amount paid out on progress estimates is \$902,424.90. This is \$121,612 in excess of the guarantee.

#### **Summary**

The Return from which the above examples have been taken calls for 1275 miles of railway. It expresses the Sifton railway policy given to the country just previous to the election of 1913. Today there are 153.43 miles of roadbed completed with the steel laid, and 153.60 miles of "dump" or additional grade. This is the result of four years' administration; four years of incompetency and reckless playing into the hands of railway speculators. Certainly not a good showing for the time, or for the vast sum of money that has been paid out on the work.

The total payment for this 153 miles of completed road, and a like mileage of "dump" is \$3,496,132.23. This is a little more than \$1,000,000 in excess of what should have been paid out on properly certified progress estimates.

These few examples taken from the Government's Return serve to indicate the method by which the Minister of Railways plays into the hands, or rather pockets, of the railway speculators, and they support the statement that he, Mr. Sifton, is grossly negligent in his administration. If he has not been compromised in this matter, if he is sincere in his policy, and anxious to have the roads built as soon as possible, why does he not withhold the payments until at least sufficient work has been done to justify each payment? You would better ask the railway speculator, for nobody else seems to know.

#### **The Three Schemes**

In the present railway policy of the Sifton Government there are three schemes, represented as follows:

**First**, the notorious Alberta and Great Waterways Railway, with a guarantee covering 350 miles, including sidings, from Edmonton to Fort McMurray. This is the disgraceful inheritance of a previous Liberal Government, muddled and complicated by the Sifton Government, and then dumped into the hands of J. D. McArthur and "his associates" on the strength of a flimsy letter.

**Second**, the Canadian Northern Western scheme, already referred to in the above examples, with a guarantee covering 1275 miles, and represented by the McKenzie and Mann interests.

**Third**, the Edmonton, Dunvegan and British Columbia Railway, with a guarantee covering 350 miles, at \$20,000 per mile. This guarantee was put through not long after Mr. Sifton came into power, and it was then that the so-called "family contractor," J. D. McArthur, was introduced into the scene.

It will be noted that the mileage and guarantee of the E., D. & B. C. Ry. is exactly the same as that of the A. & G. W. Ry., which was shortly after turned over to this same contractor. A precedent such as that of the A. & G. W. Ry. is sometimes a very valuable concession. There is no doubt that it will prove so to J. D. McArthur and his associates, whoever they may be.

Since J. D. McArthur has appeared upon the scene, McKenzie and Mann have not had a monopoly of Political Influence, if guarantees be any indication of favor; for up to the present this favored son of railway schemes and toil has had authorized on his behalf the credit of the Province to the extent of \$17,200,000; and we are not sure that the end is in sight, for he seems to be a favorite, and he may need to have these guarantees increased, as has already been done for him.

### A Precedent

It is always easier to do a special thing after that thing has once been done. It worked well in the matter of the E., D. & B.C. Ry., as shown above. It is almost a necessary condition to the obtaining of special privileges.

This so-called "family contractor" needed \$2,000,000, at least it was said so in the House by Mr. Sifton, the Minister of Railways; for he brought down a resolution to lend this contractor this sum out of the unappropriated funds of the Province. **And the only security the Province was to receive was the hypothecation of Railway Bonds that the Province had guaranteed.**

By this act the Premier made the Province stand as loan company, broker, and banker to a railway contractor. It was a flagrant abuse of that which is generally condemned as special privilege. The securities being Provincial Government securities, the loan became a direct loan; **and there is no record of any other Province ever having made a direct loan to an individual.**

Mr. Michener and his followers in the House fought this, as they have consistently fought all other irregularities and unjust acts of the Sifton Government; but McArthur got the \$2,000,000, and there you are; and what are you going to do about it?

### The Beggar's Plea

The one who comes looking for the hand-out of a special privilege generally has a hard luck story to tell. Some are good, and some others are bad. In this case it was bad, but it was sufficient for the Sifton Government. **If the right person comes, they are easily persuaded.**

The story told by Premier Sifton in this instance was to the effect that, a certain section of the road from McLennan to Peace River Crossing was exceptionally expensive, as it was necessary to go down the Hart River Valley, which necessitated many expensive bridges, and the contractor was already heavily involved, and found great difficulty in financing.

While the matter was being debated in the House, McArthur's engineers were seeking another route; and, as soon as the loan had been granted by the 37 conscientious Liberal stand-pat Legislators, it was discovered that a less expensive way had been found, and that the Company would change the route. Was this a mere coincidence? If so, it was a very profitable one, for the estimate by the new route will make the cost of the road less than one-half of the loan.

Were we buncoed? If so, who did it? Don't know. We are simply describing Siftonism as it appears on the surface. But the very solicitous manner in which Mr. Sifton, Minister of Railways, has championed the cause of Railway Companies and their promoters, more especially J. D. McArthur and "his associates," and the great complacency with which he has introduced resolution in the House for the increase of guarantees, to say nothing of a direct loan of Two Million

Dollars out of the funds of the Province, has created a grave suspicion that, the business relations existing between the Minister of Railways and the J. D. McArthur interests are not what they should be in the Public Interest.

#### **Average Cost Per Mile**

The average cost per mile for these railroads is involved in this matter of repeated increases in guaranteps. Have the increases been justified? The Opposition have strenuously contended that construction did not cost as much as represented by the contractors. It is a well established fact that the average cost of prairie construction is under \$12,000 per mile. The reports of various competent engineers with respect to the north country gives an average cost of about \$14,000 per mile; and, with respect to the large guarantees, it is the consensus of opinion, outside of the expressed judgment of Liberal Members, that the contractors have a "rake off" of from \$5,000 to \$6,000 per mile.

Although the guarantees have been generous, there has been unreasonable delay in construction. The contention of the Opposition has been, and is, if the Premier as Minister of Railways was desirous of protecting the people's interest, he would hold back payments until they were actually earned, but that just so long as payments are made in a reckless manner and in excess of work done, just so long will the Railway Companies play fast and loose with their agreements for the completion of the lines.

As a further contention of the Opposition it is held that, since there is such delay, and since we have had to guarantee these roads at \$20,000 per mile, which is more than enough to build and furnish initial equipment, why not take them over, own them, and call for tenders for their completion? The prospect is that we will have to take them over at a future date, and, because of the enormous profits of the contractors, at an over-capitalization.

#### **The Promise of The Future**

The E.D., & B.C. Ry. and the A. & G.W. Ry. will not be able to pay interest charges and operating expenses for many years to come. We have the prophecy of the Minister of Railways for this enlightening statement. He is not given to prophecy, and it was in an unguarded moment of furious oratory in reply to convincing criticisms of the Opposition that he stated, **These guaranteed roads will not be self-supporting for many years to come, and they will be compelled to come back to this Legislature from time to time for authority to make Bond issues to cover operating expenses and pay interest charges.** It was a very definite warning that, in addition to the credit already pledged, the people of this Province may expect to supply credit to carry these roads for an indefinite period.

The interest charge alone for these roads is over \$1,000,000 per year. How long will McArthur and "his associates" stand this drain? They will not try to stand it. The next move will be public ownership. There is nothing else in store for the Province. What price shall we have to pay? The outstanding feature of our railway achievement will be, the enrichment of certain individuals who had the connection and knew how to play the game.

#### **A Popular Field for Graft**

Railroads present the favorite ground of the financial grafter. Guarantees, and subsidies of various kinds, have been, and are the foundations of vast fortunes. But the real glory of the railway graft-

art is in linking up railway interests with townsite promotions and industrial projects. It is always done "within the law," but it is just as effectually done. The Public is scientifically fooled, and the people have to pay in the end.

There are a number, or rather there is a group of interests at work in this field in our north-land. They are, of course, working "within the law," and they bear the stamp of Siftonian influence.

When the Hon. Clifford Sifton was Minister of Interior large timber limits in North Alberta were permitted to certain individuals. And the men who obtained them, or who have them now, are not strangers to the other interests working at the top of our Province.

When the Hon. A. L. Sifton was placed in power, presumably by the Clifford Sifton-McKenzie and Mann influence, he introduced into his field of influence Mr. J. D. McArthur, a railway contractor of no particular standing at that time.

J. D. McArthur, the contractor, at the present time is supposed to control the A. & G. W. Ry. and the E., D. & B. C. Ry., in fact the only lines available to timber limits of the northland.

On the outskirts of Edmonton there is the E., D. & B. C. townsite, owned by a company of the same name. Here also are the stations of the two railways in question; and, as an outstanding part of this group, is a great, and most modern, sawmill with a lumber yard piled with logs brought down from the north by the roads above mentioned.

We have been told that the timber of the north is hardly worth talking about. Mr. McArthur's engineer, giving evidence before the Public Accounts Committee, declared that the Egg Lake timber limit was good only for railway ties and timber for trestle work.

The visitor to the E., D. & B. C. townsite and the mill yard could at that time have seen acres of logs piled about 20 feet high, measuring from 18 inches to 3 feet across the butts, and 20 to 24 feet long with not more than a 2-inch taper. Nowhere in Canada could finer logs be brought to a better mill.

### **The Parties Interested**

Who are the parties interested in these various undertakings, townsite, sawmill, railroads, and timber limits? The so-called "family contractor," Mr. J. D. McArthur, and his "associates," and no doubt some others apart from the individuals described by Mr. Sifton as "associates." These interests, and these parties all interwork and serve one another, and there is a mutual benefit.

There ought to be definite knowledge about this whole matter, but there is seldom that in anything that concerns the subtle money-getter who has his field of operations in the public domain. There has been a good deal of "pussy-footing" about the Legislative halls at Edmonton during the Sifton regime, and the tracks are so faint it is difficult to trace the step-easy, speak-easy manipulators.

### **Profitable Delay**

The original time has expired for the completion of these roads to the northern timber limits. The needs of the north country have been urgent. Why have they been so long in construction? It has not been for lack of money or men. Nor has it been impossible to get the steel. Then why? We can not say definitely; but it may be remarked that the delay is not without its advantages to the group of interests and the parties interested.



Perhaps an explanation may be found in the fact that all railways upon completion pass under Federal control, and must file returns at Ottawa. The subject of freight rates comes before the Dominion Railway Commission. While these roads remain construction roads, they are under the control of J. D. McArthur, the contractor, and his "associates," and they may haul all the logs, and supplies, they wish, without having to file returns on the traffic.

The big, modern mill fits into the scheme, and into the law as well, and the railway law serves the big sawmill and this subtle group of interests. The Sifton influence is "on top," and all is well with manipulating moneygetters.

### **The Court of Last Resort**

This situation and condition of affairs can be dealt with effectively only by the people when the time comes. Mr. Michener and his followers have done all that men could do to protect the interests of the people in this matter, but they have always had to yield to the power of a stand-pat partizan vote in the House.

We cannot definitely state the character of the multiple creature above described. We have merely outlined the mask. What is behind the mask is known only to a select few, and they are not likely to tell the public. It remains for the conscientious electors of Alberta to authorize a new Government to tear away the disguise, and to expose the grafters, if there are such.

### **Railway Charges**

At the last Session of the Legislature an effort was made to accomplish this work, and the Opposition brought in the following resolution, containing serious charges against Premier Sifton as Minister of Railways:

"Be It Resolved: That in the opinion of this House:

"1. There has been gross negligence on the part of the Minister of Railways in the administration of his Department, and a failure to protect and conserve the financial interests of the people of the Province with regard to Railway Construction; and

"2. The Bonds of Railway Corporations have been guaranteed by the Government, upon the advice of the Minister of Railways, without accurate information as to what should be the cost of such railways; and

"3. The Minister of Railways has permitted the payment out to railway corporations of the proceeds of their guaranteed bonds in a reckless and negligent manner, and without due regard as to whether the claim of the said railway corporations as set forth in their progress estimates were according to facts, as to work done, material purchased or in store, and as to payments made on account of same; and

"4. The Government has granted a loan of \$2,000,000 to The Central Canada Railway Company the authorization of which was secured by misstatement of the facts in connection therewith to the Legislature; and

"5. The Government upon the advice of the Minister of Railways has guaranteed the bonds of Railway Corporations for construction purposes in a sum greatly in excess per mile of the actual cost of constructing such roads.

"Therefore it is advisable that the Lieutenant Governor in Council be requested to appoint a Royal Commission to make full investigation

into Railway Construction in this Province as advanced under the various Statutes of the Province guaranteeing Railway Bonds, and to make enquiry into the administration of the Department of the Minister of Railways as to all matters in connection therewith; the said Commission to consist of two Judges of the Supreme Court of Alberta, who shall have power to select a competent Railway Engineer as a Third Member of the Commission; and that the said Commission so constituted shall have authority and all the powers mentioned in Section two (2) of "The Act respecting Enquiries concerning Public Matters," being Chapter two (2) of the Statutes of Alberta, 1908; and that the said Commission shall select Counsel to assist in the conduct of the said investigation and enquiry, reserving to themselves the privilege, should they deem it advisable in the public interests, to permit the service of Counsel other than that selected by themselves; and further, that upon conclusion of the said investigation and enquiry, the said Commission shall make a report to the Lieutenant Governor in Council for the information of the Legislative Assembly of this Province."

A long and forceful debate took place on this resolution. It was one-sided, for the Government members could not, or did not, attempt to defend the Minister of Railways. The Minister of Railways, who is also Prime Minister and Leader of the Government, spoke for his followers; and in his short, furious, autocratic speech flatly refused the request for any kind of an investigation.

Why? The matter involved millions, and it implicated the Minister of Railways who is the trustee of guaranteed millions. If he had nothing to fear, there is no reason why he should not have allowed the Royal Commission. If this Royal Commission should have failed to justify the charges, the Minister of Railways would have become strengthened in the esteem of his supporters in the House and the people of the Province, and Mr. Michener and his supporters would have been made ridiculous, weak, and foolish.

May we conclude that Mr. Sifton, politically, is a very magnanimous man, that, as Minister of Railways or Premier of the Province he would dislike to use his power in any way that would make his Conservative opponents appear foolish in the eyes of the electors? Either this, or that Hon. A. L. Sifton, Premier and Minister of Railways, could not allow his Department to go under investigation by a Royal Commission. And this Department, or any other Department of the Sifton Government, will never be investigated while the Sifton influence dominates the affairs of this Province.

### 3. The Telephone System

Like the Railways, the Telephone System of this Province has been made to serve the purposes of Government politicians, instead of having been managed in a business and non-partizan way.

This has brought the usual result. There is a well marked inefficiency, and the inability to serve many parts of the country with the Telephone, as well as the loss of hundreds of thousands of dollars in the construction of lines and the general administration of the Department, which is in the hands of the Hon. Mr. Sifton.

#### A Sinking Fund.

Year after year the Opposition has called the attention of the Government to their bad business methods, and to the lack of a sinking fund for this Utility. Nothing was done until about a year ago, when the Government set aside a sum that is less than a half of one percent; and then, **instead of investing this beggarly amount in outside securities, the Government borrowed it for their own purposes.**

Any sane business man knows that depreciation in an Utility of this kind is never less than five percent, and that one-half of one percent is but a joke that advertises the incompetency of those who administer the Department. xfi

The capital investment of the Telephone System, as given to the end of 1914, is in the sum of \$8,552,087.07. But in the face of this fact, the Government set aside, on December 8th, 1914, the sum of \$44,201.00 as a sinking fund for the payment of the bonded indebtedness of the Telephone System. At the same time this was invested in Province of Alberta 4 p.c. Debentures. **It was purely a matter of book-keeping.** And there is about the same comparison in the fund to the debt, as there is in a toad to an elephant.

#### The Claim of Profits

The Government claim they have made a profit out of the telephone system. The method of accounting we have in this Province, a method that can turn an annual deficit into an annual surplus, can show almost anything that is desired. It is very easy to show a profit by charging to capital account many items under maintenance that properly belong to and are chargeable to income account. It is still easier, when an eight and a half million Utility carries the insignificant load of \$44,000.00 as a sinking fund.

The Government states that, Depreciation and Obsolescence, i.e., (discarded and out of date appliances), are taken care of under Maintenance, which is charged to Income Account. This is a general statement, and it does not express the whole truth; for if the Capital Account could be analyzed in comparison with the Income Account, it would be found that very many items are charged to Capital that should be charged to Income. The more you charge to Capital the greater your surplus earnings.

The amount charged to income from 1907-14, inclusive, was \$3,547,060.87. The total amount received in revenue from all sources for this same time was \$3,873,443.32. This shows a surplus for a little more than 7 years of \$325,382.45 on an investment of more than eight and a half million dollars. If during this period there had been a proper classification of items of maintenance, and a legitimate and full charge made to Income Account, this so-called surplus would read as a deficit.

### **Construction Extras**

Contractors of today expect to make money out of extras. The Government plays into the hands of the contractors for telephone work.

The Three Hills rural line was contracted for in the sum of \$2,330.00. The Government allowed \$771.80 in extras.

The Acme rural line was allowed \$581.10 in extras.

The Swalwell line received \$1,229.75 for extras.

The Huxley line, contracted for in the sum of \$1,030.00, carried \$386.45 in extras.

The Camrose exchange, contracted for in the sum of \$3,800.00, had \$1,474.00 in extras.

The Youngstown-Oyen line, contracted for in the sum of \$3,825.00, carried \$569.10 in extras.

The Government had the usual excuse in connection with these irregularities of contract, that after the contracts were let it was found that heavier material was necessary. We are supposed to have competent and efficient men at the head of these affairs. Why should the Province be taxed nearly a third more than the contract price? In these six contracts the Government paid out \$5,013.20 in excess of their estimates.

### **The Cost Per Phone**

Because of irregularities of contract as above mentioned, and because of other matters of incompetency in management, the cost of 'phones in this Province is in excess of the cost in the Provinces of Manitoba and Saskatchewan. The farmer is led to think that because the rural rates have not been increased, and the rates to the cities have been raised, that he is being favored by the Government; but some day he will wake up to the fact that, what affects the cities as a hardship becomes a burden to him, and that he has to bear his proportion of Provincial burdens.

In Manitoba the cost per phone is \$219.54. In Saskatchewan the cost is \$295.99, and in the Province of Alberta it is \$340.33. And this cost will continue to increase, so long as the Telephone System is made to serve political purposes.

### **Inefficient Service**

At the last Session of the Legislature the inefficiency of the System with respect to rural districts was pointed out by the Opposition; and, in order to remedy the same, they brought in the following resolution:

"Whereas a great many rural districts are under disability because of the lack of telephone service, although in many cases there are residents near the main lines of the Government Telephone Systems; and

"Whereas a great many farmers are willing to provide branch lines for the convenience of their own communities, provided they shall have the right of connecting the same with the Government Telephone System and that their investment in these branch lines shall be protected by the Government on a rental basis:

"Therefore Be It Resolved: That in the opinion of this House it is advisable that the Government make provision to extend their system of service to all farmers' branch lines, and that they take immediate steps to have the Department co-operate with the farmers of the Province in the matter of the construction of such branch lines, so as to give a general service to all outlying rural districts."

This resolution provided that the farmers might have the right to construct their own branch lines, and to connect them with the Provincial Telephone System, and that the Department should co-operate with them in the construction, and protect them in their investments by the adoption of a rental basis. It would have assured complete efficiency of service in rural districts.

But the Sifton Government would rather sacrifice its much advertised friend, the rural resident, than take advice from the Conservative Opposition. Consequently

"Hon. Mr. Sifton moved the following amendment, which was seconded by the Hon. Mr. Mitchell:

"That all the words after the word 'Whereas' in the first line be struck out and the following inserted:

"(Whereas) some rural districts are temporarily under disability because of the lack of rural telephone service; and

"Whereas the residents of a few outlying districts have expressed a desire to construct small mutually owned local systems;

"Therefore Be It Resolved: That in the opinion of this House the Government should give their regular interchange service with such farmers' branch lines, when same are constructed in accordance with the standard specifications of the Government Telephone System and extended to a point where practical physical connection can be made."

A debate followed. A vote was taken. And, of course, Mr. Sifton had his way through a stand-pat majority. And his way means that, the farmers' branch lines must be up to the Government standard of construction, and that they must be built to a point where "practical physical connection can be made" without any co-operation or help on the part of the Government. The effect of this Sifton amendment is to leave the matter just where it was before the Opposition took it up.

#### Rat-Hole Methods

The information gained during the Public Accounts Committee's investigation of Telephone matters at last Session brings to mind the mysterious "stripping of the files" in the A. & G. W. Ry. matter. Documentary evidence is always dangerous.

We were informed that the weekly reports of foremen on telephone construction work were all destroyed last year, and are not to be preserved any more. The Department simply copies from these reports such information as suits them, and the rest is thrown aside or burned.

Foremen report facts, and they are not always acceptable. Sometimes they complain of lack of material, of errors of management, and of delays consequent to other causes.

The absence of these reports relieves the Department from the possibility of worry. Now if a foreman complains of mismanagement or inefficient administration he can be discharged and there are no documents to substantiate his charges. He merely becomes a disgruntled ex-employee, one who is offended because he was discharged "for cause."

## 4. Public Utilities Commission

This is the cure-all, the answer to all criticisms of the Opposition. They will take care of all irregularities of the Telephone System. Are they an independent commission? As independent as any other political commission.

The members of this commission have for years been known to the people of this Province as ardent supporters of a political party. There is no objection to these men personally, but can a leopard change his spots in a night? It is not to be supposed that they would deliberately do anything wrong; but is it customary for those who receive political favors to slap the wrist of the one who hands them out? Injury often comes from neglecting to do what could be done.

We have to pay upwards of \$25,000.00 per year for this political commission. Can they earn their money? If such a commission is a necessity, then why not an independent one; one without pronounced political affiliations; one that the people could feel would not be subservient to the influence of those who handed them their favor?

There is little hope that the Public Utilities Commission as now organized will be the means of overcoming the mistakes of the Telephone Department or any other Department of the Sifton Government. **If they meddled too much they would lose the job, and the nice salary that goes with it.**



## 5. Fair Wages

Every individual who is willing to work has a right to work, and a right to be protected in a fair wage for the work done. In connection with the guaranteeing of railways there is provision made for a fair wage to be paid to the employees of the Company. Abundant evidence has been produced to show that in the construction of lines controlled by McArthur interests men have not been paid a reasonable wage.

This evidence shows that men, after working six months, returned with little more than when they started. They got 15 cents an hour, and had to pay \$5.00 per week for board, and double the usual prices for everything they had to buy from the Company. And in order to protect the working man by forcefully calling it to the attention of the Minister of Railways, the following resolution was introduced in the House by the Opposition:

"That whereas the Government of the Province of Alberta has guaranteed the bonds of the A. & G. W. Railway to the extent of \$7,400,000, which guarantee stands as a debt against the credit of this Province, and

"Whereas by reason of the said guarantee the A. & G. W. has been enabled to proceed with the construction of their railway lines, and

"Whereas in the agreement with the said railway company there was inserted a clause guaranteeing fair wages to the employees of said Company, and

"Whereas the said Company has not only failed to pay fair wages, but have been extortionate in their demand for goods sold to employees on the construction of said lines, and

"Whereas the Minister of Railways has failed to enforce the said fair wage clause;

"Therefore Be It Resolved: That in the opinion of this House the Minister of Railways has been neglectful of his duties and open to the censure of this House."

It is almost needless to say that it met with the same fate as other Opposition resolutions. There is seldom any sympathy to be gotten for the wage earner from those who are classed with the money-getters, or those who become rich because many of their fellow-men grow poorer in the process.

## 6. Public Institutions

Considerable criticism has been made with respect to the commitment of persons supposed to be insane. Under the present law a person may be sent to the Asylum upon the "information" of one individual, and the examination of one physician. It is true that the law provides for an appeal, but it ought not to be possible for any person to be brought by warrant for insanity before a Justice on the statement of one person, and committed to the Asylum on the judgment of one physician. In order to overcome this loose method, and remove cause for criticism, the Opposition introduced the following resolution, which suffered the fate of all the others:

"Whereas, under the provisions of "The Insanity Act," being chapter 7 of the Statutes of 1907, there is the possibility of grave injustices being done to those apprehended under the Act;

"Therefore Be It Resolved: That in the opinion of this House it is desirable that the said Act be amended, so that no person shall be legally declared insane, except upon the examination and concurring evidence of at least two qualified physicians of this province, and that no person under examination for insanity, or legally declared insane, shall at any time be confined in any common jail or prison."

"A debate followed, and the motion being again put. Mr. Speaker declared 'the Noes have it.' The motion was declared lost."

The Opposition introduced also a resolution with respect to Hospitals. The Government some time ago reduced their grants from thirty-five and fifty cents to twenty-five cents per day. The Opposition endeavored to remedy this condition, believing that Hospital and School grants were the wrong places for the Government to begin to economize.

The resolution is as follows, and it was voted down:

"Whereas the cost of maintaining hospitals has greatly increased, and such institutions are being maintained in many parts of the Province with great difficulty;

"Therefore Be It Resolved: That in the opinion of this House it is desirable that the present government allowance of Twenty-five cents (25c) per patient be raised to the sum of Thirty-five cents (35c) for paying, and Fifty cents (50c) for non-paying patients, per hospital day."

"A debate followed, and the motion being again put. Mr. Speaker declared 'the Noes have it.'"

It may be said for the Government that, on this occasion they were rather ashamed of their action, and they had the grace to apologize through the mouth of the Minister of Agriculture, by stating that they could not provide the extra funds. This, of course, was a mere excuse; the cause of the sick, like that of the workingman, does not really find sympathy with the politician.

## 7. Land Titles Offices

The administration of these offices is in the hands of Hon. C. W. Cross, Attorney-General. In answer to a question asked at Session of 1915, as to the number of employees, he replied that at that date, March 16th, there were 86 in the Edmonton office, and 95 in the Calgary office, making in all 181.

### Political Rest-Houses

In this connection it was shown by the Opposition that the Land Titles Offices had become houses of rest for political heelers. The names of a number of men who were well-known manipulators at the last general election, and are well advertised throughout the Province as "capable" organizers of the Liberal Party, were called in the House, with the salaries set opposite their names, as reported by Hon. C. W. Cross. The monthly salaries of these "friends of the Government" is in the sum of \$1,300, and the expense account of two of them for the year amounted to \$1,127.00. The facts then set forth were impossible of denial, and they constituted a scandal to the Government.

### The Missing Cash Books

In 1913 the cash books of the Calgary office disappeared, presumably stolen and destroyed. An investigation was held. The matter was soon hushed, and nothing has been heard of the affair since then. In what other country could the great cash books of such an important public office be made away with and no persistent effort be made for their recovery? Why were they stolen? By whom were they stolen? For the purpose of doing away with documentary evidence, and by someone who had access to and an intimate knowledge of the office. Ponderous books, such as these, are not misplaced, nor are they taken away without urgent reasons. What has the Attorney-General's Department done in the matter? Up to date, nothing effective.

### Auditing

Offices that do business mounting into the millions should have their books carefully audited. A return brought down in the House shows that there was no audit from September 1st, 1905, up to May 26th, 1910; also that no audit was made when the present Government came into power. And it was January, 1914, when an audit was made by one J. W. Ash with assistants.

### Revenue and Expenditure

As one might expect, when it is found that the Land Titles Offices of the Province have become "political rest-houses," the cost in Alberta is greater than in other Provinces. A comparison may be made with Saskatchewan, for the charges are practically the same.

Take the year 1914, for which the income at Alberta Offices was nearly \$100,000 more than for 1915; and the Return by Hon. C. W. Cross shows fees as follows: Calgary, \$238,742.79; Edmonton, \$262,168.80; a total of \$500,911.59. The fees in Saskatchewan, from April 1914 to 1915, thus running some months into a year much poorer

because of general depression due to war, give the sum of \$602,940.33. Saskatchewan for practically the same time, with practically the same scale of charges, received \$102,028.74 in excess of that received by Alberta.

Saskatchewan has about ten offices to our two; and their percentage of cost is less than ours. They give a more general service, and have a more economic system, for they do not run these Government offices as "political rest-houses."

### **A Yearly Comparison**

Were it possible to go into a comparison year by year of the Land Titles receipts and expenditures for Alberta, some strange things might be set forth, and they would not be to our credit. A comparison between 1912 and 1913 should be sufficient to indicate the incompetency, or worse, from which this Province suffers.

The year 1913 shows an increase over 1912 amounting to \$53,320.23, but it also shows increase in expenditures of \$107,157.39. The increased expenditures were just a little more than double the increased receipts.

This year of 1913 was the year of the last general election, and it shows an increase in salaries alone of \$93,695.25; and this is the year in which the cash books disappeared, and \$3,500 of the above amount was paid to one McNamara to investigate the matter of the disappearance. His investigation was worthless.

These are splendidly miscondacted offices. Their equal could not be found in any other civilized community upon earth. They are a credit to "manipulation," to "political ingenuity," to the brand of politics we have had since 1910, for the successful administration of the affairs of "political rest-houses" at the expense of the people is a science all in a class by itself. **The matter stands as a discredit to the Province.**

## 8. The Political Machine

In every department of the Sifton Government there is the evidence of a political machine. This great machine, reaching out to every part of the Province, is maintained at the expense of the people, and it is called the Civil Service. And the humblest employe is not overlooked, though he may not be on the list that is known as Civil Service. The machine is inclusive of all "friends of the Government" from the Railway Contractor to the Bar-keeper, and it has four distinct arms of power.

Under the control of Hon. A. L. Sifton are two of them—**Railways and Telephones**. Both of these played a prominent part at the last General Election, and they have been productive of political results ever since. It remains to be seen what part the people will allow them to play in the next General Election.

Under the control of the Hon. C. W. Cross are the other two arms of political power, **The Land Titles Offices, and The Liquor License Department**. The political use of the Land Offices has been too obvious to call for further discussion; and the flagrant abuse of the Liquor License Department for political purposes is so well known that, no argument should be necessary to convince people of the corruption that has been practiced.

## 9. The Liquor Act

It is believed that the prohibitory Liquor Act recently passed will do away with political corruption through the License Department of the Government, but **it will never do away with the shame that rests upon the Government for the corruption that was practiced in the past.**

It should be understood that **The Liquor Act was not a Government measure**, except as a matter of form; for it was the people's measure, introduced and passed under the provisions of the Direct Legislation Act. And Direct Legislation as a principle of Government was first advocated in this Province by the Conservatives.

Will the Liquor Act do away with corruption? It will do away with the old kind of corruption, but we shall have to reserve judgment for a time; for it must be remembered that we have the same political bosses, and we have not heard that they have experienced any change of heart. What they have done, they have been compelled to do by the people. **What they have done in past elections, they are likely to do again in some form or another—"What's bred in the bone will come out in the flesh."**



## 10. Woman's Suffrage

Ranking in importance with the Liquor Act was the enactment of the Woman's Suffrage Bill. This, like the other, can not by any stretch of imagination be called a Government measure; for it was due solely to the untiring energy of the women of the Province.

During the Session of 1915 a large delegation of women approached the Government, and asked for this legislation. They were met with the non-committal assurance of politics, and told that the proper time and place for the matter would be on the occasion of the amendment of the Election Act during the Session of 1916.

With this non-committal statement they had to remain satisfied. And at the best it was but a contingent hope, a hope dependent upon the fate of the Liquor Act; for **had the Liquor Act not been approved by the judgment of the people, the Woman's Suffrage Bill would never have been introduced and made Law.**

The enactment of this Bill was a matter of political expediency on the part of the Government. It was a twin sister to the Liquor Act, and its enactment by the Government was due to the moral mandate of the people by their overwhelming majority on the liquor question. It is one of the few instances in which we should be thankful for even political expediency; but **we must remain thankful to the women for their great and untiring energy.**

### Mr. Michener's Stand

Prohibition of liquor was always a principle in the Conservative platform of this Province. Mr. Michener, leader of the Opposition, has always advocated it, as being essential to the prosperity of the people, and to honest, economic, and efficient government. As a plank of the Conservative platform of this Province, it has always been side by side with that of Direct Legislation.

Realizing the value of the effort being made by the women of Alberta, and the power it could be for honest, economic, and clean administration, **Mr. Michener advocated Woman's Suffrage before the Legislature a year before the Bill was brought into the House. In this he was ably supported by other Conservative Members. By this act he pledged the support of the Conservative party to the principle.**

### True Leadership

This is not expressed by political manipulation. It is the quality and power to properly judge conditions, to gather up and voice the higher sentiments of the people, and to faithfully endeavor to give concrete expression to the same.

The Conservatives have not been able to control the Legislature by a majority of votes, but it is significant that, they have always been in line with the best Public Opinion. And the people of this Province may look forward to better things, when the Conservatives, under Mr. Michener's leadership, have this privilege of giving effectual expression to the highest and best sentiment of the people as a whole. Not until then will there be any assurance of relief from the conditions of corruption that have prevailed in the past.

# 11. Corruption Charges

In order that the Government might undertake a house-cleaning before entering upon the administration of the Liquor Act, the graft and corruption that had obtained under the Hon. C. W. Cross's administration of the Liquor License Ordinance was brought to the attention of the House. And the following are the charges that were then made by the Opposition:

1. That the Government or its Agents have from time to time received large sums of money from the Licensees of the Province or the Licensed Victuallers Association for election purposes.

2. That large sums of money have from time to time been paid by the licensees of the Province to agents or officials of the Government for the purpose of obtaining concessions from the Government in connection with liquor licenses.

3. That thousands of dollars have been paid to agents of the Government to stifle prosecutions under the Liquor License Ordinance.

4. In the year 1914 a large number of licensees of the Province paid the sum of \$25,000.00 to the Agents of the Government to secure immunity from further extortions at the instance of such Agents.

Moved by Dr. Stanley, seconded by Mr. Crawford:

That the Speaker do now leave the chair to go into Committee of the Whole to consider the following resolutions:

Therefore, Be It Resolved, That an Humble Address be presented to His Honour the Lieutenant Governor praying that he will be graciously pleased to appoint a commission consisting of three judges of the Supreme Court of Alberta to make an inquiry into the administration of the Liquor License Branch of the Department of the Attorney General, and that a said commission have all the powers and authority mentioned in section two (2) of the Act respecting Enquiries Concerning Public Matters, by chapter two (2) of the Statutes of Alberta of 1908, and in addition such power or authority as the said commission would have if acting as Justices of the said Court in relation to a cause or matter in the said Court, and to make a report to the Lieutenant Governor in Council in respect to the said matter for the information of the Legislature. The selection of Counsel to assist in the conduct of the said inquiry shall be made by the said Commissioners, but the Commissioners may have other Counsel than those selected by them if they deem it advisable in the public interests to do so.

A debate followed. Hon. Mr. Sifton made a furious little speech in defense of Hon. Mr. Cross, stating that the charges were not constitutionally made, that they were not definite as to person and matter, and that when charges were made specific as against a Minister of the Crown, the fullest opportunity would be granted the Opposition in the matter of investigation.

A vote was then taken, and every member on the Government side of the House voted against having an investigation.

A few days later, March 8th, (1916) Hon. Mr. Cross was quoted in the Daily Bulletin, of Edmonton, as having said:

"I am much disappointed indeed that the Member for High River "has not made specific charges in connection with this matter. I "promise him if he makes a specific charge against any Member of my "Department it will be dealt with by the Government. I think I am "correct in saying that no personal charge has been made against me

"that I received a cent of money improperly from any licensee, or  
"anyone else in this Province. If there is, I will very soon give him the  
"investigation he demands. I cannot go any further than that."

### **Renewed Charges**

In order to meet the demand of Premier Sifton, and the boastful statement of the Attorney-General, as printed in the Daily Bulletin, and so that they might not be hindered by any mistakes of the Opposition, a renewal of the charges was made specific as to person and particular as to matter, as follows:

"1. That the Honourable the Attorney-General, namely C. W. Cross, has been and is guilty of corrupt practices in office in one or all of the following particulars:

"(a) That licensees, being such under the Liquor License Ordinance, of this Province, have paid under duress, large sums of money to Agents of the Attorney-General for election purposes, and that the Honourable the Attorney-General, namely C.W. Cross, was cognizant thereof and a party thereto.

"(b) That licensees of this Province have paid large sums of money to the Agents of the Attorney-General for the purpose of obtaining unlawful concessions in matters governed by the Liquor License Ordinance, and that the Honourable the Attorney-General was cognizant thereof and a party thereto.

"(c) That licensees of this Province have paid large sums of money to the Agents of the Attorney-General for the purpose of stifling or unjustly abandoning prosecutions under the Liquor License Ordinance, and that the Honourable the Attorney-General, namely C. W. Cross, was cognizant thereof and a party thereto.

"(d) That certain licensees of this Province have paid a large sums of money to the Agents of the Attorney-General for the purpose of securing immunity from the threats and coercion of such Agents and further extortions in the matter of privileges granted under the Liquor License Ordinance, and that the Honourable the Attorney-General, namely C. W. Cross, was cognizant thereof and a party thereto.

"Having performed this duty I now request the Honourable the Premier of this Province, to take such steps as are necessary that the Lieutenant Governor in Council may appoint a Commission consisting of three Justices of the Supreme Court of Alberta to make full investigation of the charge of corrupt practices in office now laid against the Honourable C. W. Cross and to make enquiry into the administration of the Liquor License Branch of the Department of the Attorney-General in reference to each and every matter named in the said charge, and that the said Commission shall have the authority and all the powers mentioned in Section 2 of the Act respecting Enquiries Concerning Public Matters, being chapter 2 of the Statutes of Alberta of 1908, and in addition to such authority and powers all such jurisdiction, authority and powers as they would have if acting as Justices of the Supreme Court of Alberta in relation to a cause or matter in the said Court, and that the said Commission shall select counsel to assist in the conduct of the said investigation and enquiry, reserving to themselves the privilege, if they should deem it advisable in the public interests, to permit these services of counsel other than that selected by themselves, and further upon conclusion of the said investigation and enquiry the said Commission shall make a report in respect of the matter charged to the Lieutenant Governor in Council for the information of the Legislative Assembly of this Province."

The Attorney-General did not measure up to his boast, and the Premier did not measure up to his promise. But the Hon. Mr. Sifton stood up and defended the Hon. Mr. Cross. It was made evident that he dare not do anything else, for if the Attorney-General went down the Premier would also go. It was a triumph for the Attorney-General, and it showed to the people of the Province where the Premier, Mr. Sifton, must stand whether he liked the relationship or not.

The Premier very curtly refused any request for a Royal Commission, and did not even offer a committee of the House to investigate the matter. He simply, and autocratically dismissed the subject with the statement that, the charges were not definite enough to justify investigation.

#### Detailed Charges

The Opposition again brought in a resolution asking for the appointment of a Royal Commission, and in support of this request, and that the Hon. Mr. Sifton and the Hon. Mr. Cross might have nothing to quibble about, the charge against Mr. Cross as a Minister of the Crown was repeated, and a detailed statement of a number of cases, selected from a great mass of evidence covering the alleged corruption, was made to the House.

The following is the statement then made, and it should be sufficient in any civilized country, that is not being throttled by unscrupulous politicians, to bring forth an investigation. It is significant that it failed in Alberta.

Prior to the Provincial General Election in 1913, certain licensees of the Province made a promissory note in the sum of \$10,000 which note was discounted at the Merchants Bank, Edmonton. The proceeds of this note were contributed to the expenses of the Election Campaign of the Liberal Candidates, in the City of Edmonton, and the amount raised on the said note was to be repaid by individual contributions from various hotelkeepers and different licensees of the City of Edmonton.

#### Paid By Hotelmen

When the note matured the amount due was paid out of the funds of the Licensed Victuallers' Association, according to a resolution moved by Thomas Rookes, then proprietor of the Alberta Hotel, Edmonton, and Vice-President of the Licensed Victuallers' Association for the Province of Alberta, which resolution provided that the matter was to be dealt with on the books of the Association so as not to disclose the nature of the payment. Subscriptions were collected from the various licensees of the City of Edmonton for the purpose of paying this note, but, instead of being applied to such purpose, they were handed over on behalf of the campaign fund of the Liberal candidate or candidates, and this was in addition to the \$10,000 already mentioned.

#### He Gave \$500.00

Thomas Rookes, himself, gave \$500 towards this campaign fund, it was generally understood among the licensees of the City of Edmonton that in order to maintain their licenses each holder of such had to contribute monies to the campaign fund of the Liberal candidates seeking election as representatives in the Provincial Legislature, and prior to Provincial General Elections, other than that of 1913, as mentioned, Thomas Rookes made other contributions for such purposes.

### **Rudyk's Experience**

Paul Rudyk, of Edmonton, Alberta, in 1908 applied for a transfer of the license of the International Hotel, Edmonton. He met W. A. Deyl, License Inspector of the Attorney-General's Department, several times, and one day whilst discussing the question of the transfer of the license, Deyl asked for a loan of \$1,000. Rudyk told him he had no money. Deyl said that he (Rudyk) could get credit at the bank, and could arrange to have a note discounted. Deyl met Rudyk at the office of the Traders' Bank, Edmonton.

Rudyk then discounted his note for \$1,000 to the said W. A. Deyl by cheque, which was made payable to the Mechanics' Society or some similar name, and Deyl endorsed the cheque on behalf of such Society. When the note became due, Rudyk paid it off in sums of \$100 and \$200 at a time, getting renewals from time to time, and thus paid off the whole note.

### **Not Really A Loan**

Deyl gave him a cheque for something slightly over \$50.00, which sum, he, Rudyk, was expected to repay to Deyl, but failed to do so. This sum of \$1,000.00 was never paid to Rudyk and it was never intended that it should be repaid to him and when Deyl asked Rudyk to lend him this \$1,000.00, Rudyk knew that it was not really a loan, but that it was a payment of a certain sum to and the transfer of the license of the International Hotel. Having complied with the request of the said W. A. Deyl, the said Paul Rudyk got a transfer of the license without any trouble.

Jim McDonald, of the Marlborough Hotel, Edmonton, paid \$1,000 to James McGeorge, and \$1,000 to one Donald Irwin, now deceased, for the purpose of securing a license for the said Marlborough Hotel. The \$1,000 paid to McGeorge was the proceeds of a promissory note made by the said McDonald, and endorsed by the said McGeorge, H. V. Shaw and R. P. Moore. The said McDonald closed his hotel and requested a refund on account of the unexpired term of his license, such request being directed to the Attorney-General's Department and the Minister in charge thereof. McDonald could not secure the refund requested, but the said McGeorge did on or about the 20th day of December, 1915, secure a refund from the Attorney-General's Department on behalf of McDonald of \$403.84. At the time of the refund the said McGeorge was still liable on the promissory note herein referred to equal to or in excess of the said refund. This refund was made by cheque issued by the Government of the Province of Alberta in favor of James McDonald, and when the said James McDonald refused to endorse the said cheque and apply the same in full on account of the said note, payment of the cheque was stopped.

### **The Douglas Case**

An information was laid against one Thomas Douglas, licensee of the Brunswick Hotel, Edmonton, for a breach of the Liquor License Ordinance. The said Douglas entered into negotiations to have the matter stopped and was visited by one D. Irwin, now deceased, who told him he would have to pay the sum of \$5,000, and in reply to an inquiry as to who fixed the sum, Irwin said "the Hon. C. W. Cross." Douglas expressed surprise that Mr. Cross was a party to such a transaction, and Irwin said: "If you do not believe me, go down and see him."

Douglas and his partner, Hall, went to see the Attorney-General. Hall went in and Douglas waited outside. Hall told the Attorney-General of the demands made by Irwin, and the Attorney-General told Hall to see Dr. Strong, and Dr. Strong told him he would have to pay whatever Irwin asked. Douglas, accordingly, paid Irwin \$5,000 in cash. The prosecution then commenced and only part of the evidence adduced and Douglas sold the said Brunswick Hotel to Spinks & Co., and as a consideration of the transfer of the license, Spinks & Co. paid \$1,700 to an admitted agent of the Attorney-General. Douglas then purchased the Queen's Hotel, Edmonton, and as a consideration of the transfer of the license paid a like sum of \$1,700 to the same admitted agent of the Attorney-General.

Between nomination day and polling day at the General Election of 1913 W. A. Deyl called on Max Greenberg, then a hotelkeeper at Edson, Alberta, and demanded \$500, stating that if he did not pay this sum he would lose his license. Max Greenberg wrote a letter and addressed it to C. H. Belanger, which letter was personally delivered to the said Belanger by Edward Albert Greenberg, brother of Max Greenberg.

#### **They Needed Money**

Belanger told Greenberg to go back and tell his brother, Max Greenberg, to see Brunnell and ask him for \$400 or \$500, and bring it, together with his money, to Edmonton, and in case he could not do so to bring a cheque payable to "Cash" or "Bearer" so that Belanger could cash it. Belanger told him that they needed a lot of money and would turn it over to the campaign fund. Max Greenberg came to Edmonton the next morning and settled with Belanger. Greenberg saw Teviotdale in Edmonton. Teviotdale mentioned that the Cross by-election cost the Licensed Victuallers' Association \$12,000, but that they had control of the Chief License Inspector for the Province. Max Greenberg was prosecuted by one called "Scotty," who was afterwards convicted and was supposed to go to jail at Fort Saskatchewan. The said Greenberg then went to Edmonton for the purpose of seeing the Hon. C. W. Cross or his Agents. He did see W. A. Deyl, who asked of him (Greenberg) the sum of \$300 to fix his case and get some Provincial Detective out of his way. The said Greenberg procured the money and later paid it over to the said Deyl.

#### **Gave Him Fixing Fee**

Upon the return of the said Greenberg to Edson he called to see one Jerry Callaghan, a wholesale liquor licensee of that place, and found it necessary to give the said Jerry Callaghan the sum of \$250 as a fixing fee. The case of Max Greenberg was brought to trial on a charge of running a bawdy house. The witnesses consisted of a few prostitutes (one brought specially from Calgary), who were on their way to the segregated district in Edson.

The case was dismissed by Inspector Raven, who said he could send a copy of the evidence to the license commissioners. No defence was offered so that only the evidence on behalf of the prosecution could have been sent. The fixing fees proved effectual.

#### **An Edson Deal**

In January, 1914, John J. Creighton, of Edson, purchased from one Joe Larose the licensed privileges of the Commercial Hotel at Edson,

and the hotel was continued in Larose's name until June of the same year, 1914. On or about the 1st of June, 1914, the said Creighton came to Edmonton to see about a transfer of the license to him. He met James A. Powell in Edmonton on or about the 6th day of June. Powell said that C. W. Cross, the Attorney-General, was hard up and that it would take some money to fix him, as they were kicking about the license. Creighton asked how much it would cost, and Powell replied that it would take \$500, and that it might take even \$1,000, and that the money must be paid that day. Creighton replied that he did not have the money, and Powell agreed to take Creighton's cheque for \$500 and to furnish this amount in cash or notes on his behalf.

### **Got the Money**

Powell procured the \$500.00 from the bank, and Creighton gave Powell a cheque for \$500.00 on the Merchants Bank of Canada, Edmonton. Creighton counted the money in the presence of Powell and placed it in a large envelope addressed to the Hon. C. W. Cross, which he sealed and left with Powell. Powell said he had to give the money to Cross that night (Saturday), but later Powell said he did not see Cross until Tuesday, when he handed him the money, whereupon Cross said that Creighton could go ahead with his business. Creighton obeyed instructions and experienced no further trouble.

John B. McCulla, retired hotelkeeper, Edmonton, was licensee of King Edward Hotel for about seven years prior to August, 1913, and for a portion of that period, prior to the provincial general election in April, 1913, and up to April, 1914, was treasurer of the Licensed Victuallers' Association.

He corroborates the statement regarding Thomas Rookes as to the note for \$10,000. He states that when this note fell due it was charged to the Licensed Victuallers' Association, and that he saw Teviotdale, the secretary of the Association, and got the bank to place the amount back to the credit of the Association. That payment of the note was delayed until a meeting of the executive could be called and a resolution put through authorizing payment, and this was done, also that prior to the provincial general election in 1913, he was asked for a contribution of \$500 towards the election campaign fund, and that he inquired if his contribution was to help pay the note or was to be applied to a new fund, and was informed that it was to be applied on the note. But as treasurer of the Association he saw from the books later on that his contribution was not entered in any way on the books, and it must have gone to the credit of the extra campaign fund.

### **Asked for Contribution**

Moses M. Brunell, of Edson, Alta., was a partner in the firm of Brunell Bros., licensees, in the spring of 1913, and his firm at the request of W. A. Deyl paid to Deyl \$100 as a contribution to the "hotelmen's campaign fund."

Deyl stated that he was working in the interests of the Liberal party and that the money was required for election purposes. About the same time one Bob Fitzsimmons demanded \$500 from his firm for election purposes. This demand was refused, and following the election on or about April 29, 1913, the license was cancelled, without just cause or reason.

Subsequent to this cancellation the said Moses M. Brunell endeavored to see Hon. C. W. Cross in regard to the matter and attended at his office upon his request and according to his appointment, but without avail.

#### **Wanted a Loan**

He saw then one D. Irwin, now deceased, who suggested that he (Brunell) should loan him \$5,000. Brunell refused, and Irwin informed him that unless he had that amount of money there was no use in trying to get the license back. The license was not renewed. Prior to the cancellation, Brunell had refused various offers of purchase, but after the cancellation the hotel was sold at a greatly reduced value to one Hamilton, who openly stated that he was the only person who could secure a license for the said hotel.

#### **A Morinville Case**

On or about May of 1915 Provincial Detectives Hand and Murphy visited the Morinville Hotel and the Alberta Hotel, both located in the town of Morinville. In one they purchased liquors after legal hours, and in the other they purchased liquors in wholesale quantities. In one of the hotels the bartender who served them had no license. The samples of liquors were taken and initialed by the detectives. The names of the hotels, the time of purchase, the amounts paid, description of the change received were distinctly marked upon the labels. These samples were forwarded to Chief Provincial Detective Morris, together with detailed reports under the signatures of Hand and Murphy.

No prosecution whatever was instituted. Six cases of this nature were personally secured by Detective Hand during 1915, and no action was taken upon any of them. An official higher up than Morris instructed him, Hand, at various times that no action was to be taken against certain specified hotels, and in other cases he, Hand, was urged to secure any evidence possible against them. There was a preferred list of hotels and a blacklist of hotels.

#### **Charge Against Cross**

Up to 1914 the licensees of the Province had been compelled to pay to agents of the Attorney-General various sums of money amounting in all to approximately \$200,000; and in a number of instances, such sums of money were paid under intimidation by threats on the part of the agents of the Attorney-General, and because of coercion on the part of the said agent through the liquor license branch of the Attorney-General's Department and the evident control of the same by such agents.

On or about May of 1914, protests were made to the admitted agents of the Attorney-General with respect to the continued exactions being made by the said agents, and following such protests a self-admitted agent of the Attorney-General approached a representative or representatives of the licensees with a proposition that if a sum of \$25,000 were paid to the Hon. C. W. Cross, the licensees would receive immunity from further exactions.

In compliance with this proposal a promissory note was then made in the sum of \$25,000, which was signed by a certain number of licensees.

The said note was discounted in the Merchants Bank, Edmonton, and the money received thereon was paid to the Attorney-General or his representatives.



In conclusion of these detailed statements and in support of the alleged facts of a well established connection, as between the Hon. C. W. Cross and his department on the one hand, and the Licensed Victuallers' Association of the Province on the other hand, it is set forth that such collusion existed up to July last, 1915, when the vote was taken on the proposed liquor act, and that, prior to the taking of this vote, one W. M. Ingram and one J. R. Teviotdale approached James K. Fraser, of Edmonton, and asked him to organize the Stoney Plain constituency and bring in recommendation for the appointment of a returning officer, deputy returning officer, poll clerks and enumerators for the different polls, and that on this occasion he was instructed to select such election officers and enumerators from men who were known to be in sympathy with the liquor interests, and that the said James K. Fraser, in accordance with such instructions proceeded to carry out the aforesaid organization work, and after completion of the same sent in his list of names to the Licensed Victuallers' Association, and that each and all of his recommendations were carried out, and that the government did appoint such men as he did recommend to the said Licensed Victuallers' Association, and that the said James K. Fraser in the selection of the said election officers and enumerators did use every precaution in his selection, and in each and every case recommended only those who were opposed to the proposed prohibitory act, and that the said James K. Fraser, after he had completed his work as above stated, approached members of the said Licensed Victuallers' association with respect to his remuneration and that he was advised by them that if he was in a hurry for his money he would have to see the Hon. C. W. Cross, who would withhold renewal of their hotel licenses until they had paid such debts.

## 12. Civil Service Reform

The irregularities of the Railway Department, the use and abuse of the Telephone Department for political purposes, the placing of political heelers in the Land Titles Offices, and the graft and corruption of the Liquor License Department, all point to one fact, that **patronage in politics corrupts public life and gives inefficiency of administration.**

When civil servants are expected to be political henchmen, to have regard in all things for the political advantage of the party for whom they work rather than the efficiency and economic administration of public affairs; when they consider that they are working for the party in power rather than for the people, it is no wonder that there is so much to justify the conviction that Alberta exists for the party in power rather than for its people.

In an effort to do away with this disgraceful condition of affairs, the Opposition brought in the following resolution:

"Whereas, the efficiency of Civil Service is greatly depreciated by a patronage system of appointments; and

"Whereas, it is notorious in the history of Governments that the patronage system of appointments to Civil Service has not only lent itself to inefficiency but as well to political manipulation and consequent corruption in public affairs;

"Therefore Be It Resolved: That in the opinion of this House the Government should adopt a system of Civil Service for this Province that shall be based solely upon qualification and merit and permanently maintained independent of political party influence."

The matter was debated, and, as usual, the Government refused to assist the Opposition in a sincere effort for reform; and, to evade this matter which stands beyond question, the Hon. Mr. Sifton moved an amendment, which was seconded by the Hon. Mr. Mitchell. The amendment was as follows:

"That all the words after 'whereas' in the first line be struck out and the following inserted:

"Differences of opinion have always existed as to the relative merits of the bureaucratic and other systems of appointment to Civil Service;

"Therefore Be It Resolved: That in the opinion of this House appointments and promotions in the Civil Service of the Province of Alberta should continue to be based solely upon qualifications and merit, and permanently maintained independent of political party influences."

This Government evasion of the subject was debated; and Opposition offered an amendment to the amendment as follows:

"That the words 'continue to' in the third line from the end of the amendment be struck out."

This amendment, if carried, would have made Mr. Sifton's resolution to read as follows:

"That in the opinion of this House appointments and promotions in the Civil Service of the Province of Alberta should be based solely upon qualifications and merit, and permanently maintained independent of political party influences."

It is almost needless to say that a resolution such as this would not suit the purposes of the Government, and that the amendment to strike out the words "continue to" was lost on a straight party vote.

But in order to meet the Government half way, and to provide against corrupt practices in the future, the Opposition was willing to admit the claim of the Government, that their Civil Service was "based solely upon qualifications and merit," and consequently brought in another amendment to Mr. Sifton's proposal:

"Resolved, That all words of the amendment after the word 'merit' be struck out, and that the following be inserted:

"And that legislation should be enacted respecting the Civil Service of the Province of Alberta, which shall include the terms, 'qualifications and merit' with a definite interpretation of the same, as well as a specified penalty or penalties to be applied to any Civil Servant who might be found guilty of using his office in a Department of the government for political party purposes."

This amendment was a concession to the power of an unreasonable majority, but it gave the protection needed by the electorate of the Province, for it made Mr. Sifton's amendment to read as follows:

"Therefore Be It Resolved: That in the opinion of this House appointments and promotions in the Civil Service of the Province of Alberta, should continue to be based solely upon qualifications and merit; and that legislation should be enacted respecting the Civil Service of the Province of Alberta, which shall include the terms 'qualifications and merit' with a definite interpretation of the same, as well as a specified penalty or penalties to be applied to any Civil Servant who might be found guilty of using his office in a department of the Government for political party purposes."

This effort of the Opposition was voted down by the same stand-pat and unreasoning majority, and it became evident that the Government would not, or could not countenance any attempt at reform in the Civil Service.

The Opposition offered, as a final amendment, the following:

"That in the opinion of this House the Ministers of the Government should be censured for permitting and encouraging their employes in taking an active part in politics and political campaigns."

A debate followed, and a vote was taken, with the result that every Liberal Member voted against the amendment. By that act they set their seal upon permitting and encouraging Civil Servants in the practice of taking part in political campaigns; and they endorsed the political machine methods that placed them in power, and that have been the means of corrupting the public life of this Province.

There can be no hope of an honest, economic and efficient administration of public affairs while the Sifton-Cross machine controls the Government.

## 13. Votes for Soldiers

Realizing the disabilities with respect to the franchise affecting those who have enlisted in the service of the Empire, the Opposition presented a resolution to the House for the purpose of remedying the matter by an amendment to "The Alberta Election Act."

This resolution, like all other proposals of the Opposition, was defeated by a straight party vote. Partyism and partizanship have reached such a stage in this Province and its Legislature that, were a messenger to appear in the House from the Eternal Throne with a measure for the benefit of the people, it would be defeated on a straight party vote, unless the angel wore the Liberal colors and had the sanction of the Sifton-Cross powers.

The following is the resolution, moved by the Opposition, and voted down by the machine:

"Whereas there are thousands of the Electors of this Province enlisted in the military service of the Empire, who are now removed, or are subject at all times to removal from the place or constituency where only, according to 'The Alberta Election Act,' they may exercise the right of franchise;

"Therefore Be it Resolved: That in the opinion of this House, it is desirable:

"That the Government at this Session of the Legislature bring in an amendment to 'The Alberta Election Act,' being Chapter Three of the Statutes of 1909, so as to provide that all electors separated from their constituencies by the obligations of military service shall have the right of exercising their privileges of franchise at the places where stationed at the time of a general election, and that their votes shall be taken as of and for their respective constituencies;"

Or in the alternative:

"If it should not be convenient for the Government at this Session of the Legislature to make provision as above stated, that, in the event of a general election being called previous to a regular session of the Legislature, the government shall proclaim and call a special Session of the Legislature without remuneration to the members thereof, for the purpose of enacting Legislation to provide facilities for all electors of this Province in the military service of the Empire, to exercise their rights of franchise at their stations of service, and as of and for their respective constituencies."

The government, however, could not afford to lay this matter aside with contempt, as they did the Civil Service reform, and so they afterwards enacted legislation to give some of the soldiers a vote, that is, those who should happen to be within the Province at the time of an Election.

This was a distinct refusal to negotiate with the Federal Government, with a view to preserving to all those who are overseas the rights of their franchise, and a voice in the affairs of their own Province.

## 14. Redistribution and Representation

The utter disregard of the Sifton Government for justice in the exercise of Franchise, and an honest representation of the same in the Legislature was made evident at the last General Election, and since then has been made outrageous by an unreasonable Liberal majority in the House.

By a redistribution of seats, fifteen new members were added at the last election, making 56 in all. This was done for party purposes; and it stands without justification, since forty-one members, as previously obtained were, and are, quite sufficient to govern the affairs of this Province. And it was unjust, in that it was done without consideration of the question of population. Conservatives were hived in towns and cities; Liberal Ridings were carved out to suit the Liberal vote, so that Clearwater with 103 electors has an equal voice in legislation with a Riding that has five or six thousand electors.

The result of this iniquitous political deal was, that the Liberal candidates polled 47,768 votes with 37 men elected; the Conservatives, 43,658 with 18 men elected; and the Independents and Socialists, 5,500 without an election of a candidate.

Eliminating the Independents and Socialists, the total vote of the Liberal and Conservatives amounted to 91,425, which gave the Liberals a majority of 4,111 votes for the whole of the Province. The result is, the Liberals with 38 seats (Hon. Mr. Cross continues to hold down two seats) represent 52½ of the entire Liberal and Conservative electorate of the Province, whilst the Conservatives with but 18 seats have 47¾ percent of the total vote.

If you add the Independent and Socialist to the Conservative vote to find the basis of Liberal representation, it shows 49,158 as against 47,768, which means that the Liberals with 38 seats received 1,390 votes less than the others, and consequently were 695 short of the number required to make an even break.

No political party should be declared elected, and no Government should be allowed to remain in power, who, by their votes show that they represent less than half of the electorate of the Province. The time has come when the people should have the right to "initiate" a new election, and, as well, to "recall" the Ministers of the Government.

What we have in Alberta at the present is not representative and responsible government. It is a piracy of power for personal and party purposes, and it is a shame to the people.

An overwhelming majority means corrupt Government, and when it is gotten by dishonest methods it means a curse to the people. It will be the duty of the electorate at the next election to take matters into their own hands, so that there may be something like proportional representation in the next legislature.

## 15. Agricultural Credits

Agriculture will always be the basic industry of Alberta. And the Government shall always be charged, no matter what may be done by way of Demonstration, with the responsibility of legislating and assisting in a practical way to regulate transportation and the markets in the interest of the farming population.

Nothing would encourage farming, and increase farm production, and consequently the wealth of the Province, like the adoption of a system of "Agricultural Credits" based upon the conditions and well known needs of our Province.

Cheap money for agricultural development has always been the attitude of the Opposition. Session after Session they have urged the necessity of cheaper capital to open our vast agricultural areas. When the matter was first introduced by Mr. Michener, the Leader of the Opposition, Premier Sifton's reply was that it would affect the financial institutions. Finally, however, the Government appointed Dr. Tory, President of the University, and the late Bramley Moore to join the American Commission to investigate the question at first hand in Europe. Their report was favorable to the adoption of a system of cheaper credits for Alberta; but, like the report of the Pork Packing Commission, nothing has been heard of the matter since.

The Opposition have always stood for this principle, and they are determined that the matter shall not be forgotten; consequently, at the last Session of the Legislature, they brought in the following resolution:

"Whereas the growth and prosperity of the Province of Alberta are largely dependent upon the development of our agricultural resources;

"And whereas such development is unduly retarded and restricted unless those engaged in agricultural pursuits are enabled to readily obtain the capital necessarily required for their operations upon reasonably satisfactory terms, both as to interest and to the time in which principal monies are to be repaid;

And whereas the growth of our urban centres as well as the industrial and commercial development of our province are largely dependent upon the volume of farm production;

"Therefore Be It Resolved: That in the opinion of this House it is desirable that the Government of Alberta as soon as the necessary financial and other arrangements can be made, should bring into effect and operation a system of agricultural credits best adapted to the present needs and conditions existing throughout Alberta."

This resolution having of necessity gone into the hopper of the party machine, it began to go through the same experience as all the others. Hon. Mr. Sifton moved the following amendment, which was seconded by the handy-man of the Government, Hon. Mr. Mitchell:

"That all the words after 'farm production' be struck out and the following inserted:

"And whereas under the provisions of The British North America Act, Banking legislation is exclusively within the power of the Federal Parliament;

"And whereas the farmers of Alberta through their representatives have asked for amendments to the Banking Act providing better facilities for agricultural credit;

"And whereas the Alberta Government informed said representatives that they were prepared to introduce supplementary legislation as requested along the line of co-operative loans;

"And whereas it was considered by said representatives advisable not to introduce such supplementary legislation until they had an opportunity of seeing the extent of Federal legislation;

"Therefore Be It Resolved: That in the opinion of this House the position taken by the Government of Alberta is in the best interests of the Province."

This amendment approved of the principle set forth by the Opposition, but evaded the question by putting the matter up to the farmers to work out their own salvation. It said:

**First**—We have no control of Banking Legislation, which is necessary to provide this system of better credits.

**Second**—The farmers are asking for amendments to the Banking Act, and we will wait and see what they accomplish.

**Third**—If the farmers get their amendments to the Federal Banking Act, we will pass supplementary legislation to provide for co-operative loans.

**Fourth**—We believe this action on the part of the Government is in the best interests of the Province.

This is one of the jokes that the Sifton Government so often turns out. And this legislative joke received approval, and was foisted upon the electorate by 37 Liberal Legislators, representing a majority of only 24 percent of the electorate of the entire Province.

## 16. Doubtful Bond Sales

In connection with the debate on the Railway Charges made against Premier Sifton, the Leader of the Opposition, Mr. Michener, pointed out that there was a shortage in the deposit made to the credit of the Provincial Treasurer.

The total amount of issue referred to as sold was \$6,423,629.39, and the sale was made at a discount representing 93 as proceeds. The amount receivable should have been \$5,973,417.00, but there was deposited to the credit of the Provincial Treasurer only the sum of \$5,437,433.86. The shortage is \$535,984.00. This was discovered a year previous to the last Session, and it was then called to the attention of the Government, so that they had had ample time to look into the matter for the purpose of making an explanation.

The Government responded to the Opposition by saying they were only responsible for what was deposited in the Bank. Anything might be possible with a Government who are ready to meet a condition of this kind with such a reply. A Government is supposed to be representative and responsible. We have always known that the Sifton Government was not representative, and now, by their own declaration, we are informed that it is not a responsible Government.

Railway Bonds amounting to six and a half million dollars sold under Provincial Guarantee, for every dollar of which the Minister of Railways, Hon. Mr. Sifton, is supposed to be responsible. A shortage of about six hundred thousand, or a tenth of the whole issue is called to his attention for the second time, and he, and his Government, disclaim any responsibility in the matter.

Who got this money, amounting to nearly six hundred thousand dollars? Was it stolen "within the law?" Was it a secret commission? Was the shortage due to an error of the bankers? Why has nothing been done to discover where it went to? You must answer these questions for yourself, for the only answer the Hon. Mr. Sifton would give the Opposition was, "the Government are only responsible for such monies as are deposited in the Bank." Also you must form your own conclusion; and about the only place you could express it without leaving yourself liable would be at the Ballot Box. While Siftonism prevails you must be contented with what Siftonism declares and does.



## 17. Progressive Taxation

The system of finance practised by the Sifton Government is one that could not be adopted by any business house. It would speedily wreck the best business that could be organized. It is only possible in an institution, back of which are the hundreds of thousands of people with their taxes; and even then it can not stand the strain very long, for the Sifton Government spends each year about twice as much as it receives in taxes.

How can it do this? Because of the system, which is as follows: You borrow the capital, then borrow the money to pay interest; this debt you then add to the capital already borrowed, and then you borrow money to pay interest on this amount, and, although at the end of the year this gives you an increased deficit, by a simple matter of book-keeping you make it into a surplus.

This system demands methods of direct taxation, and a progressive-ness of spirit as well as ingenuity in discovering new subjects to be taxed. The Liberal Party having robbed us of our Natural Resources, have been busy ever since seeking sources of revenue. The Provincial field has been pretty well covered, and still there is not half enough to meet expenditures. Some of the taxes that have been instituted are as follows:

### Unearned Increment Tax

Previous to the instituting of this tax, the principle was being applied at the Land Titles Offices both in Edmonton and Calgary. The public were charged transfer fees on new values obtaining under transfer, instead of the old values upon which they should have been charged. Allowance should have been made for the difference in each case. The Unearned Increment Tax was a happy thought and a clever method of legalizing this irregularity.

The total amount realized from the new tax, up to March of this year, was \$83,758.50; and for the same date, the total cost of administration was \$17,120.02. Practically one-fifth or 20½ per cent was the cost of administration. These are the amounts taken from the reply of the Hon. C. W. Cross in answer to a question, and printed in the Journals of the House. What do you think of this cost for collection?

### Wild Lands Tax

The Act governing this tax provides that lands shall be assessed at their actual cash value, exclusive of improvements, and that the tax shall be one per cent of such assessed value.

The number of acres assessed under the Act in 1915 was reported as 8,110,995, and the total amount of the tax thus levied was \$699,824.01, but up to January, 1916, there had been collected only the sum of \$199,893.72. This shows an even shortage of a half million dollars. Evidently the tax was not appreciated.

To levy this tax 9 assessors were appointed, at a total cost of \$11,436.83. This represents a charge for assessment alone upon the

amount collected of about 6 per cent, and when the proportion of charges for departmental administration is added, which according to the Minister of Municipalities amounted to \$30,000, it will be found that the percentage of cost on the amount collected is 16 per cent, or in all 22 per cent. The history of this is similar to that of the Unearned Increment Tax; and both point to the fact that, **about one-quarter of the revenue from taxation goes to maintain departmental collection agencies that are centralized at Edmonton.**

The merits of this tax have not yet been demonstrated, either as a source of revenue, or as a method of compelling land owners to improve and farm their holdings. It has doubled the price of wild hay to the farmer who has to buy, for the farmer who has to sell is determined that the hay shall pay the extra cost of tax; and it has proved a great hardship to a number of people of ordinary means who are desirous of making a home for their children, and who, with a simple faith in the future of the country and the Government, invested their savings in land.

The Opposition did not object to the principle of the Wild Lands Tax, but they did oppose the method of its levy as well as the rate imposed.

The first objection was, that the method necessitated Government Assessors, who would become part of the political machine and subject to the charge of favoritism. A case was cited at the last Session of the House; that of a Liberal candidate who was exempted from four valuable quarter-sections, though the assessment was made on all his neighbors.

The second objection was, that the assessment was unjust in that it was based upon the value of the land. This made it an imposition or tax upon improvements.

The contention of the Opposition was, that this tax should be levied just as the School Tax and L. I. D. Tax, and that it should be a flat rate of not more than 5 cents per acre.

Perhaps this tax has prevented speculation in our wild lands. If so, it has been to a very small extent. And this argument is not a sufficient justification. **The real reason of the tax is "REVENUE."** The Government has bled the cities white, and, there being nothing else to do, they have turned to the farmer and the land holder as a last resort. It has been cleverly done, but it means that the holders of rural property shall have to pay.

It was done with very great reluctance, for the Sifton Government realizes the absolute necessity of the rural vote; but it had to be done, and the same thing will have to be done again, for this extravagant Government must have money, and they have exhausted the resources of the cities and towns.

### **Corporations Tax**

No exception can be taken to the principle of this tax, but the fact that the tax is assessed upon the authorized capital of a Company, instead of the volume of business that is being transacted, does not reflect credit upon either the Premier or the Provincial Treasurer. And

if the Corporations Tax Act were not so flagrantly unjust in this respect, it would have nothing to recommend it to the attention of anyone other than the fact that it is ridiculous.

### **Saskatchewan Savings Society Ltd.**

The title of the above named corporation is amusing, and its history is suggestive.

Soon after Mr. Sifton became Premier and Minister of Railways, he formed this Company, within his own family, and with its Head Office in his own house. This Company was registered in 1911, but no taxes have been paid, and no returns made in accordance with the Corporations Tax Act. The Act provides a penalty of \$20 per day for each day the returns are wanting. Why should the Premier form a loan company in his own family, and in his own house? Has he become a common money-lender? If so, why should he not, like other individuals, pay his fine for the violation of the law? What would these returns mean if made? One thing at least—publicity to rapidly acquired wealth.

### **Theatre-Goers Tax**

Shortly after the war began, a movement was started in the East to tax theatre-goers for the purposes of the Patriotic Fund. And where imposed, the tax was appreciated and proved a great success. It was adopted in the cities of the Old Land, and the people became eager to buy the War Tax tickets.

Realizing the value and the advantage of such a movement, the Government of Alberta determined to use it for purposes of revenue. The Liberal Press advertised it as a "tax for war purposes"; and the ticket sellers at the theatres now say to you: "Have you your War Tax Tickets?" The statement of the Liberal Press was absolutely untrue; and the selling of these tickets as a "war tax" is practising a deception upon the Public. The least that can be said is, that it is a disreputable proceeding to make use of the patriotic spirit for purposes of Provincial revenue.

"In no case shall it be less than one cent nor more than twenty-five cents" on each ticket of admission. Tickets of admission are 5, 10, 15 and 25 cents for reserved seats. Child amusement costs 20 per cent. on the dollar; that of the youth, 10 per cent.; if an adult, a little over 6 per cent.; and if you take a reserved seat it is only 4 per cent.; and should you go to a standard theatre with prices ranging up to \$1.00 then it is 1 per cent.; certainly this is a feat in the inverse ratio of taxation finance, and it should make the Provincial Treasurer famous.

There is an indication, however, that the Government has become ashamed of this wonderful feat, for by an Order in Council, dated July 3rd, 1916, it has been decreed, "that children of the age of twelve years and under be exempt from payment of the tax under the Theatre Goers' Tax Act on Saturdays."

If people may be taxed for the privilege of going to a place of amusement, then why not for going to church, or for eating fruit? One is as sensible and as just as the other. But it cannot be helped at the present, for the Province can not meet more than half its expenses out of income, and the Sifton Government is becoming desperate in the prospect of financial disgrace.

### **Other Matters of Taxation**

There is the Lumber Areas Tax; the Educational Tax, which is "an extra;" and the Succession Duties Tax.

You are taxed on your real property, on the physical improvements of your property, and on its increases in value; you are taxed on your business, and on its profits, and if you happen to be a member of a Company you are taxed on its authorized capital and consequently upon its prospects; you are taxed upon your savings, on your children's schooling, on your higher education, and on your amusement; and finally you are taxed when you are dead. There is nothing left but the farmer, and a direct tax upon his acreage. Possibly these things have to be, but they should exist with some element of reason.

Annually the burden is being increased. Every Session of the Legislature must bring an added increase. This will continue so long as the Sifton Government is in power; and, because of their profligate methods of business, the burden may continue to be heavy after they have gone out of power, unless expenditures can be cut down.

## 18. Public Finance

We have a confession on the part of the Government of their inability to collect revenue; it is a half a million from the Wild Lands Tax, a considerable sum from the Succession Duties Tax, and another sum from the Educational Tax; and this shortage is placed to the credit of the Provincial Treasurer as a matter of "Deferred Revenue."

"Deferred Revenue" in 1915 amounted to \$744,000.00. In the same year the Treasurer paid out \$570,441 more than he received. This means an actual deficit of more than a half million of dollars. If it is charged up to "deferred revenue" it shows a surplus of \$173,471.00. It simply depends on how you do it; and it is almost needless to say that the Sifton Government figures it out as a "surplus." But the fact remains that, any institution that spends a half million more per year than its revenue must some day go bankrupt.

### Estimated Revenue and Expenditure

For 1916 this amounted to \$8,826,133.75 for revenue; and the total amount brought down in estimates, and appropriated, was \$9,326,680. According to these estimates, over-expenditure for 1916 will equal that of 1915; and these estimates show it as \$500,546.25. If no better results are received from the Wild Lands Tax, it will be considerably more than this amount; for it should be remembered that a half million of this uncollected Tax is included in the estimated revenue.

The above figures include the usual three months' advance, or supplementary estimates; but as these are each year included in the regular estimates, they do not affect the result.

It is by this process of over-expenditure, borrowings, and added interest charges on constant borrowings, that millions upon millions are piling up into a colossal debt-burden for the people of Alberta.

### Interest Charges

According to the Statement of the Provincial Treasurer, as given at the last Session, the annual interest charge on Public Debt is \$1,398,000, and it may be remarked that this does not include interest on the University Debt, which is a separate and independent series of Bond Issues.

Added to the above amount stated by the Treasurer is the sum of \$100,000, which is 5 per cent on the Two Millions since issued. This, with the University interest charge of \$90,000, makes a total interest charge of \$1,588,000 per year, or a daily charge of \$4,350.60, which means a load of \$181.28 per hour the year round. These figures represent only the fixed charges on Bonded Indebtedness, and are possibly below the mark.

### The Provincial Debt

A Return in re Provincial Loans gives the Public Debt as follows:

Loan	Date of Sale	Rate of Int	Price Net to Prov	Net Proceeds
\$ 2,000,200.00	Jan. 1909	4 %	97.	\$ 1,940,194.00
5,000,000.00	Nov. 1912	4 %	94.536	4,726,822.50
	Dec. 1914			
	Mar. 1915			
	Dec. 1915			
4,928,366.66	Oct. 1913	4½ %	91.98	4,533,518.73
	Dec. 1915			
3,600,000.00	Nov. 1913	4½ %	94.15	3,389,400.00
7,400,000.00	Jan 1914	4½ %	94.15	6,967,100.00
	May 1914			
4,000,000.00	May 1915	5 %	92.87	3,714,801.00
<b>\$26,928,566.66</b>				<b>\$25,271,836.23</b>

Negotiations for the above were made direct with the purchasers of the Bonds, and the following is a statement of the parties, with the commercial exchange and other charges:

Lloyds Bank -----	\$ 7,479.75
Lloyds Bank & Prov. Treas. acct. Sinking Funds--	6,237.16
Ditto -----	661.21
Spencer, Trask & Co. -----	6,431.00
Ditto -----	4,738.43
Ditto -----	5,945.59

\$31,493.14

**Borrowing is a very expensive business, and when it has to be continued indefinitely, and by increased amounts, it spells financial ruin.** The loss to the Province in this case, through discount and commercial charges, was \$1,668,223.57; and this is not all, for since the above return was made, another \$2,000,000 have been added; making a total debt of \$28,928,566.66. Nor is this all, for there is the University Debt, which for some strange reason is not included in the Public Accounts of the Province, and which is reported in the Journals of 1915, page 80, as being \$1,340,650.00 on December 31st, 1914; and since this date another \$1,000,000.00 of Bonds were sold, making the University Debt as \$2,340,650.00. **This gives the grand total of \$31,269,216.66 as the direct liability of the Province.**

#### **What are you going to do about it?**

When the Sifton Government came into power in 1910 the Bonded indebtedness of the Province was \$2,000,000.00. This shows that the average of yearly increase has been \$4,878,202.78, and this for six years of Sifton administration. How long can Alberta stand this rapid pace? How long would the head of a great business institution be kept in his position, if he adopted the Sifton-Mitchell methods of finance? What has been done with these vast sums of money? **There is always a shortage for roads, and bridges, and hospitals, and other items that make for the prosperity and welfare of the Province. The results that have been produced do not justify an increase in our Bonded indebtedness of almost \$5,000,000.00 per year.**

**The condition of our financial affairs is so absolutely bad, so apparently subject to grave suspicion, and so evident an outrage of public confidence, that one might feel inclined to doubt the above made statements, but facts have been carefully stated as taken from the statements, reports, and returns of the Government, and they can not be successfully questioned by any Government Member.**

#### **The Sinking Fund**

There is a sinking fund for this vast debt. The Public are asked to believe that means have been provided of keeping it within reasonable bounds.

As reported at the end of 1915, this Public Debt Sinking Fund amounted to \$195,387.87, and it should be remembered that this amount includes the Telephone Sinking Fund of \$44,201.00. This is less than Two Hundred Thousand Dollars to reduce a debt of over Thirty-one and one-quarter Millions,—possibly more than this, if the “odds and ends” with the various Banks and other accounts were included.

The earning power of this whole Sinking Fund, as at present invested in Province of Alberta Bonds, is \$8,122.25 per year. How long would it take this amount to retire Thirty-one and a quarter Millions of Dollars, or even half this sum? About as long as it would take an Ant to cart the Rocky Mountains into the Pacific.

But the matter is not a joke. Like the whole of the Sifton-Mitchell scheme of finance, it is an abuse of confidence, and an insult to the intelligence of the people of this Province.

When Mr. Sifton came into power in 1910, the Province had an indirect liability of \$9,511,200 by guarantees authorized to C.N. Ry., G.T.P. Ry., and A. & G.W. Ry. Companies.

The statement of the Provincial Treasurer at last Session of Legislature was, that the present authorized indirect liability from Railway Guarantees is \$59,410,450, and that of this amount \$43,100,450 had already been issued. This gives an average increase, during six years of Sifton Administration, of \$8,314,875 per year. Six years of extravagance, and railroad boasting, and the roads are still in a construction state.

#### **Summary**

We have a direct liability of \$31,269,216.66; and an indirect liability of \$43,100,450, by Railway Bonds that have been issued, and in addition to this an authorized liability of \$16,310,000 on account of Railway Bonds that will be issued, and, no doubt, have been issued in part by this time. This gives us the enormous sum of \$90,679,666.66 for which the Province of Alberta has by official endorsement and by legislation become responsible.

Along with this enormous obligation is to be considered the ever-increasing annual interest charge, that now amounts to more than One and one-half Million Dollars. How long will it take Alberta to recover from Siftonism?

Much encouragement is offered by Government Members by a reference to the total assets of the Province. As given by the Provincial Treasurer the assets amount to \$124,800,635.00. But the total for which the credit of the Province stands pledged is a little more than 72½ per cent. of the total Provincial assets. This does not indicate a sound financial condition.

The case is even worse than this, for included in the Treasurer's Statement is a hypothetical item known as the Public School Lands. This is not a substantive asset; it is merely a source of revenue.

Revenue from this source for 1916 is given as \$230,000, and this capitalized on a 4 per cent. income basis would make the value of these lands as \$5,750,000.00. It may be remarked, therefore, that this much of the stated assets merely represents a claim for revenue and that the lands belong to the Dominion Government and not to the Province. The item may not properly be considered a substantive asset until our Natural Resources are restored to us.

But what will happen should we have another six years of incompetency, mismanagement, and extravagance, such as indicated by the present financial condition of the Province?

The duty of every true citizen is to find out how he is being governed; and if such government is not just and economic he should raise his voice in protest, for the People are the Real Rulers, and Public Opinion is mightier than the mightiest Autocrat.

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## **NATURAL RESOURCES,**

### **AGRICULTURAL CREDITS,**

### **ECONOMY IN PUBLIC AFFAIRS**

## 19. Government Return,

**Showing the number of votes cast for each Candidate in the  
various Constituencies of the Province at the  
last General Election, April 17th, 1913.**

Constituency	Candidates	Votes Polled	Total Votes Polled
Acadia -----	John A. McCall -----	637	1,132
	W. D. Bentley -----	495	
Athabasca -----	A. G. MacKay -----	414	635
	J. Wood -----	221	
Alexandra -----	N. C. Lyster -----	470	1,155
	J. R. Lowery -----	478	
	W. H. Anderson -----	207	
Beaver River -----	W. Gariepy -----	457	741
	A. Grey -----	284	
Bow Valley -----	George Lane -----	396	641
	H. W. H. Riley -----	245	
Camrose -----	Geo. P. Smith -----	1,651	1,900
	R. L. Rushton -----	249	
Centre Calgary -----	John McDougall -----	728	2,292
	T. M. M. Tweedie -----	1,564	
North Calgary -----	G. H. Ross -----	822	2,560
	S. Bacon Hillocks -----	1,482	
	H. R. Burge -----	256	
South Calgary -----	C. T. Jones -----	1,423	5,077
	T. H. Blow -----	3,654	
Cardston -----	Martin Woolf -----	518	997
	C. Jensen -----	479	
Claresholm -----	Wm. Moffatt -----	496	971
	D. S. McMillan -----	348	
	G. Malshow -----	127	
Clearwater -----	H. W. McKenney -----	40	103
	A. W. Taylor -----	39	
	Jos. A. Clarke -----	24	
Cochrane -----	Hon. C. W. Fisher -----	475	855
	H. F. Jarrett -----	380	
Coronation -----	F. H. Whiteside -----	739	1,432
	W. Wilson -----	693	
Didsbury -----	Jos. E. Stauffer -----	948	1,598
	G. B. Sexsmith -----	650	
Edmonton -----	Hon. C. W. Cross -----	5,407	20,569
	G. MacKay -----	4,913	
	A. F. Ewing -----	5,107	
	W. A. Griesbach -----	4,499	
South Edmonton -----	J. D. Blayney -----	643	2,798
	A. C. Rutherford -----	1,275	
Edson -----	H. H. Crawford -----	1,523	1,315
	Hon. C. W. Cross -----	671	
	H. H. Verge -----	644	



Grouard	J. L. Cote	347	
	O. Travers	201	548
Gleichen	J. P. McArthur	641	
	Geo. McElroy	576	1,217
Hand Hills	B. Eaton	962	
	J. Robertson	841	1,803
High River	G. D. Stanley	616	
	R. L. McMillan	558	1,174
Innisfail	F. A. Archer	535	
	John A. Simpson	526	1,061
Lac Ste. Anne	Peter Gunn	517	
	Geo. R. Barker	474	991
Lacombe	W. F. Puffer	878	
	Angus MacDonald	624	1,502
Leduc	Stanley G. Tobin	582	
	Geo. Curry	436	1,018
Lethbridge City	J. S. Stewart	1,371	
	J. O. Jones	1,033	
	J. R. Knight	282	2,686
Little Bow	Jas. McNaughton	721	
	J. T. MacDonald	339	
	Alfred Buddon	124	
	F. A. Bryant	202	1,386
Medicine Hat	Nelson Spencer	1,843	
	Hon. C. R. Mitchell	1,823	3,666
Macleod	Robert Patterson	579	
	Hon. Arthur L. Sifton	560	1,139
Nanton	J. M. Glendenning	463	
	J. T. Cooper	315	778
Olds	Hon. Duncan Marshall	709	
	Geo. Cloakey	656	1,365
Okotoks	Geo. Hoadley	594	
	John A. Turner	380	974
Peace River	A. Patterson	475	
	W. Rea	437	
	F. W. Bredin	47	959
Pembina	Gordon MacDonald	432	
	F. D. Armitage	421	853
Pincher Creek	John H. W. S. Kemmis	487	
	A. N. Mouat	426	913
Ponoka	W. A. Campbell	485	
	Geo. Gordon	257	
	P. Baker	197	939
Redcliff	C. S. Pingle	645	
	H. S. Gerow	428	1,073
Red Deer	E. Michener	869	
	R. B. Welliver	786	
	Geo. Patton	197	1,852
Ribstone	Jas. G. Turgeon	669	
	Wm. J. Blair	535	1,204
Rocky Mountain	R. E. Campbell	1,099	
	Chas. O'Brien	1,018	
	Wm. B. Powell	516	2,633
St. Albert	Lucien Boudreau	620	
	H. L. Landry	404	1,024
St. Paul	P. E. Lessard	441	
	L. Garneau	350	791

Sedgewick	Hon. Chas. Stewart	889	
	C. Watson	371	1,260
Stettler	Robt. L. Shaw	928	
	Geo. W. Morris	907	
	Malcolm McNeil	198	2,033
Stony Plain	C. Weidenhammer	577	
	John A. McPherson	368	945
Sturgeon	Hon. J. R. Boyle	936	
	J. H. Hyndman	556	1,492
Taber	Hon. A. J. McLean	1,231	
	Wm. C. Ives	341	
	Thos. E. Smith	234	1,806
Vegreville	J. S. McCallum	812	
	F. A. Morrison	420	
	Peter Svarich	544	1,776
Vermillion	Hon. Arthur L. Sifton	772	
	J. Clark	571	
	Krickersky	276	1,619
Victoria	F. A. Walker	773	
	R. A. Benett	268	
	M. Gowda	196	1,237
Wainwright	G. E. LeRoy Hudson	711	
	H. Y. Pawling	615	1,326
Warner	F. S. Leffingwell	314	
	W. H. Scott	137	
	Wm. T. Patton	268	719
Wetaskiwin	Chas. H. Olin	780	
	Geo. B. Campbell	580	1,360
Whitford	Andrew Shandro	499	
	R. L. Hughson	133	
	C. F. Connolly	148	
	Paul Rudyk	312	1,092

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## NATURAL RESOURCES,

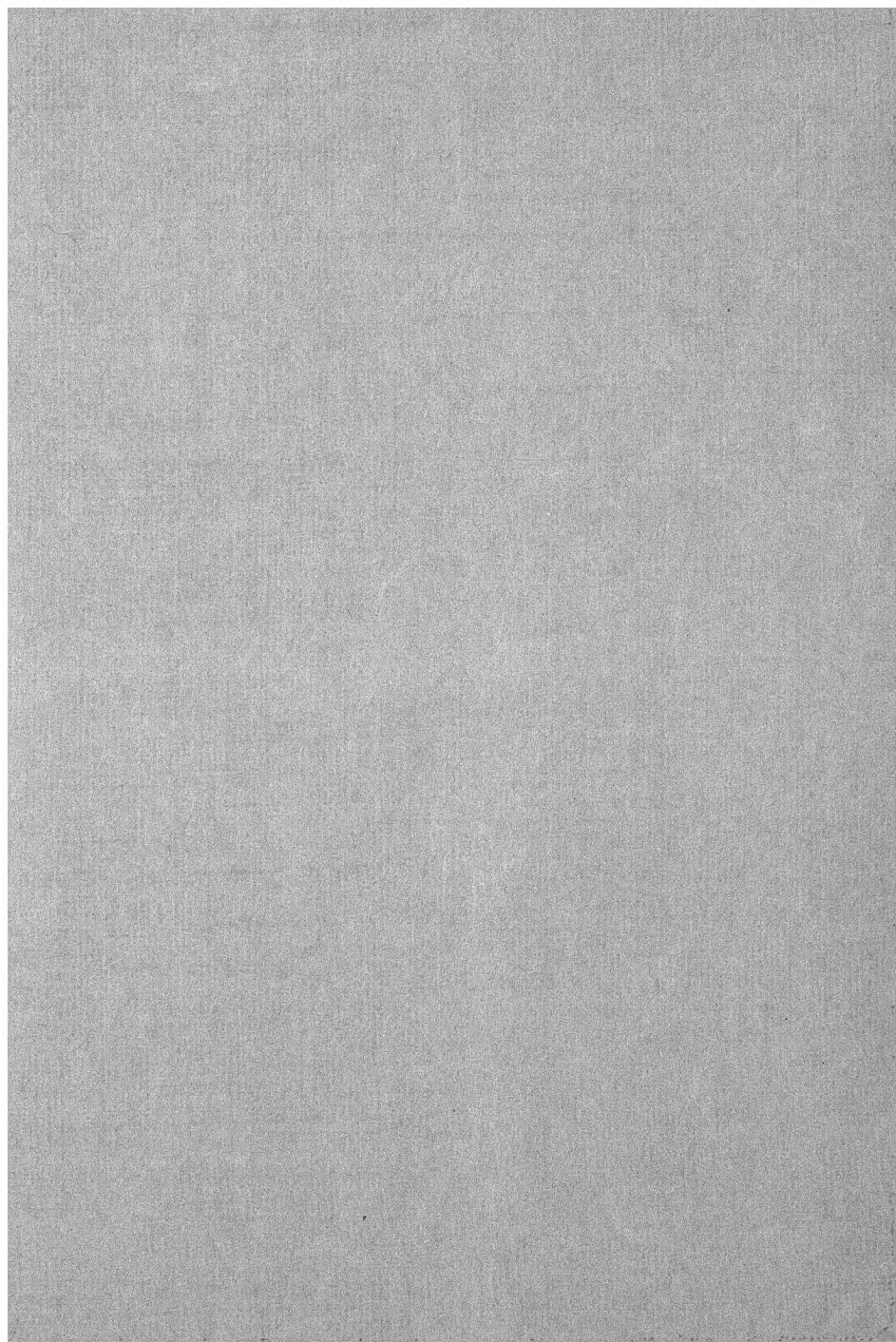
### AGRICULTURAL CREDITS,

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